

**SCHOOL DISTRICT
OF THE BOROUGH OF
BRIELLE**



**BOROUGH OF BRIELLE BOARD OF EDUCATION
BRIELLE, NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

BOROUGH OF BRIELLE BOARD OF EDUCATION

BRIELLE, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

PREPARED BY

**BOROUGH OF BRIELLE BOARD OF EDUCATION
FINANCE DEPARTMENT**

BRIELLE SCHOOL DISTRICT

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INTRODUCTORY SECTION



BRIELLE ELEMENTARY SCHOOL
605 UNION LANE
BRIELLE, NEW JERSEY 08730
www.brielle.k12.nj.us

PHONE 732/528-6400

FAX 732/528-0810

CHRISTINE E. CARLSON
 Superintendent/
 Principal

MARCI L. GRABELLE
 Vice Principal/
 Director of Special Services

EDWARD McMANUS
 School Business Administrator/
 Board Secretary

November 14, 2012

President and Members of the Brielle Board of Education
 Brielle School District
 Monmouth County, New Jersey

Dear Board Members:

Enclosed is the Comprehensive Annual Financial Report (CAFR) of the Brielle School District for the fiscal year ended June 30, 2012. This CAFR includes the District's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34 (GASB 34). Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. Disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections as follows:

- 1) The Introductory Section contains a Table of Contents, Letter of Transmittal, List of Principal Officials, and an Organization Chart of the School District
- 2) The Financial Section begins with the independent Auditors Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information
- 3) The statistical section includes selected economic and demographic information, financial trends, and the fiscal capacity of the school District, generally presented on a multi-year basis
- 4) The Single Audit Section-The District is required to undergo an annual audit in conformity with the provisions of the Single Audit Act of 1986, as amended, the US Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Information related to this single audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, is included in the single audit section of this report.

REPORTING ENTITY AND ITS SERVICES

Brielle School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds and account groups of the District are included in this report. The Brielle Board of Education and the Brielle Elementary School constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Kindergarten through Eight (8). The Brielle School District has a sending/receiving association with Manasquan High School where Brielle sends students to Manasquan High on a per student tuition basis. Brielle community parents can also select to send students to private schools. The district curriculum has been aligned with the New Jersey Core Curriculum Contents Standards. Educational services include regular, vocational as well as special education for handicapped children. The district completed the 2011-2012 fiscal year with a decrease in enrollment in the elementary school and an increased enrollment of Brielle students attending Manasquan High School. This trend is expected to continue in the 2012-2013 school year. The following details the changes in the student enrollment over recent years.

Fiscal Year	Brielle Elementary Student Enrollment	Manasquan High Student Enrollment	% Change
2011-2012	605	261	(4.5%)
2010-2011	665	242	(4.7%)
2009-2010	728	224	3.8%
2008-2009	713	204	(0.2%)
2007-2008	712	207	1.0%
2006-2007	704	206	1.2%
2005-2006	697	202	3.9%
2004-2005	658	207	3.1%
2003-2004	638	201	1.8%
2002-2003	631	193	9.5%
2001-2002	574	177	7.1%
2000-2001	546	156	2.0%
1999-2000	516	173	6.5%
1998-1999	483	163	3.2%
1997-1998	455	171	2.1%
1996-1997	435	177	2.1%
1995-1996	432	163	3.2%
1994-1995	414	163	1.4%
1993-1994	393	176	5.2%
1992-1993	385	156	2.1%
1991-1992	374	155	2.0%
1990-1991	369	151	

ECONOMIC CONDITION AND OUTLOOK

The rapid growth of students over the last 20 years that are educated by the Borough of Brielle School District has leveled out while the overall population of the Borough has

remained constant. It is over the past two years that the district has experienced declining enrollment primarily in the Brielle Elementary School as the many of the students have moved on to the secondary school level. The current district demographic study forecasts that enrollment in the Elementary School will continue to decline as there have been fewer live births in the district overall the last five years due to an aging District population. It is also forecast that the number of students currently forecast to attend Manasquan High School on a tuition basis has peaked at the current level. This is not unusual as enrollment declines are being experienced in a majority of school districts throughout Monmouth County and throughout the State of New Jersey. Given the declining enrollment in the Elementary School and leveled enrollment at Manasquan High School plus a gradual recovery in state aid, many of the programs lost through budgetary cuts have been recovered. The long term economic outlook for the district is strong as enrollment is expected to level out. The Borough of Brielle School District will continue to be an excellent place to educate a student in an outstanding community.

MAJOR INITIATIVES

The district has made progress towards its Strategic Plan which was unanimously passed by the Brielle Board of Education at its July 19, 2006 meeting. The plan centered around the areas of improving student achievement, growing its use of community resources and improving its internal use of resources. During the 2008-2009 school year, the district offered a new Literacy Curriculum for grades Kindergarten through Fifth Grade. During the 2009-2010 school year, the district introduced a new Math Curriculum for Grades Kindergarten through Fifth Grades. Brielle student test scores have continued to show outstanding results as these new programs have been implemented when the test results are compared to similar communities throughout the state.

INTERNAL ACCOUNTING CONTROLS

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District's management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and

state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund. Project length budgets are approved for the capital improvements accounted for in the capital project fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2012.

ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect generally accepted accounting principles as required by the Governmental Accounting Standard Board (GASB). The accounting system of the District is organized on the basis of funds and account groups.

FINANCIAL INFORMATION AT FISCAL YEAR-END

The District has met its responsibility for sound financial management as demonstrated by the various statements and schedules included in the financial section of this report.

DEBT ADMINISTRATION

At June 30, 2012 the District had outstanding debt as a result of a Bond Sale that took place in February, 2001.

CASH MANAGEMENT

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements". The District had adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Government Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

RISK MANAGEMENT

The Board carries various forms of insurance, including but not limited to general liability, and theft insurance on property and contents, and fidelity bonds.

ADDITIONAL INFORMATION

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Robert A. Hulsart & Company, CPAs was selected by the Board at its April 18, 2012 Brielle Board of Education reorganization meeting. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's reports on the general purpose financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

ACKNOWLEDGEMENTS

We would like to express our appreciation to the Brielle School Board of Education for your concern in providing fiscal responsibility to the citizens and taxpayers of the school district and thereby contributing your support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our staff. A special note of thanks goes out to Mrs. Mary Beth Westrol, Payroll and Accounts Payable Manager, who was integral in assisting the District through challenging financial times.

Respectfully submitted,



Christine E. Carlson
Superintendent



Edward F. McManus
Business Administrator/Board Secretary

Brielle Board of Education
Roster of Officials 2012

Members of the Board of Education		Term Expires
Julia R. Barnes		2012
Eliot Colon		2014
Stephen DePaul		2013
Edward Hendricks		2013
Madaly Jones		2014
Glenn Miller		2012
John Pierciey		2013
Kevin Roddy		2012
Tedd Vitale		2014
Other Officials		
Christine E. Carlson		Superintendent
Edward F. McManus		Business Administrator/Board Secretary
Wayne S. Oppito		Board Attorney
David Tonzola		Treasurer

Brielle Board of Education

Consultants and Advisors 2012

Auditor-Robert A. Hulsart & Company, PO Box 1409, Hurley Pond Road, Wall, NJ 07719

Board Attorney-Wayne S. Oppito, Esq., 6 William Lane, Wayside, NJ 07712

Negotiations Attorney-Andrew Brown, Schwartz Simon Edelstein Celso & Kessler LLP, Morristown, NJ 07960

Financial Attorney-Ronald Ianoale, McManimon & Scotland, Newark, NJ

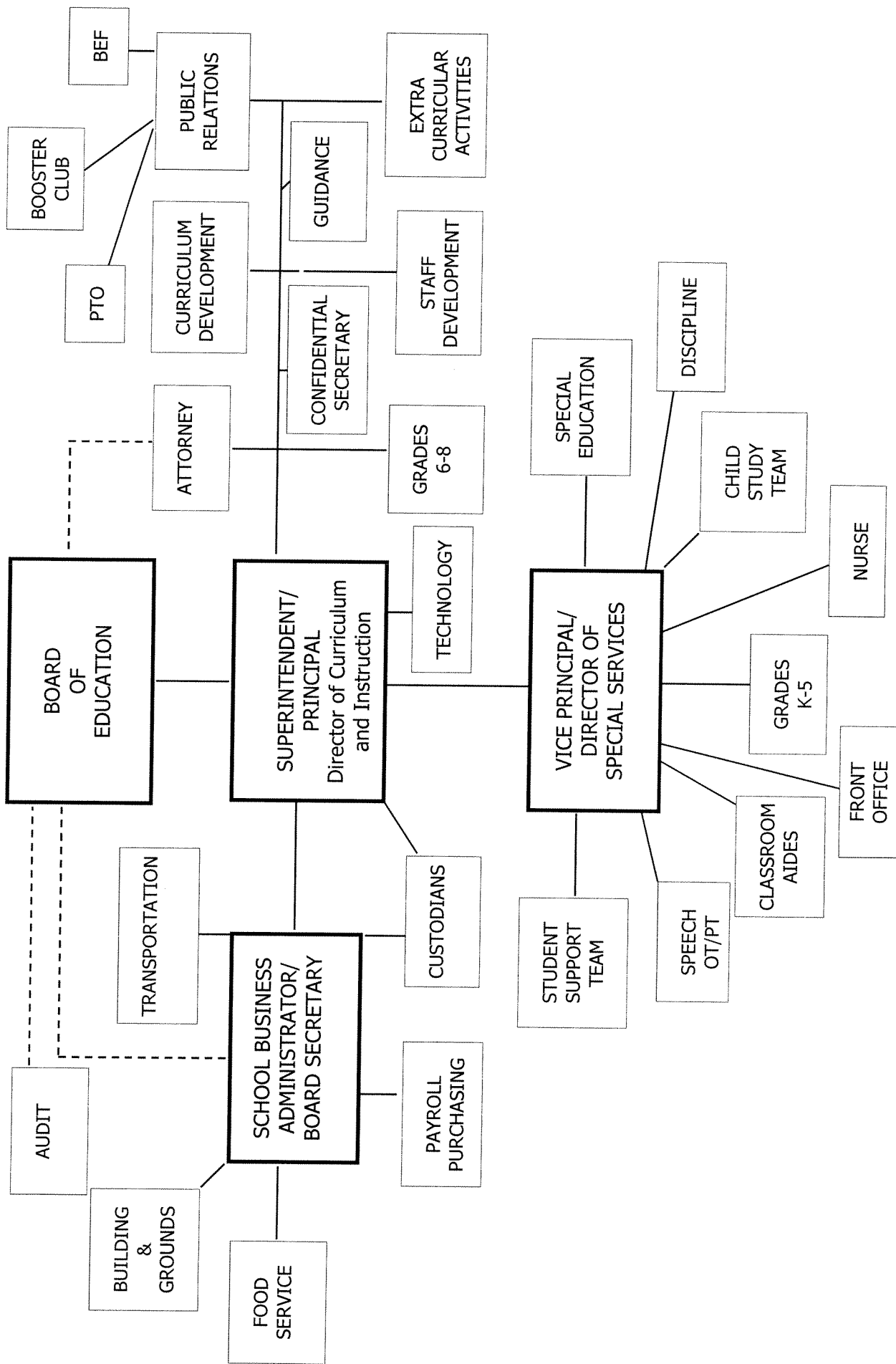
Special Education Attorney-Cherie Adams, Adams, Stern, Gutierrez & Lattiboudere, LLC, Newark, NJ

Insurance Broker of Record-General Insurance-Robert Jeffery, Holmes & McDowell, Holmdel, NJ

Insurance Broker of Record-Health Insurance-Gary Goldfarb, Brown & Brown Insurance, Shrewsbury, NJ

Official Depository-Ocean First Bank, 2445 Route 34, Wall, NJ 08736

2011-12



FINANCIAL SECTION

Robert A. Hulsart and Company
 CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
 ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
 ROBERT A. HULSART, JR., C.P.A., P.S.A.

Telecopier:
 (732) 280-8888

e-mail:
 rah@monmouth.com

2807 Hurley Pond Road • Suite 100
 P.O. Box 1409
 Wall, New Jersey 07719-1409
 (732) 681-4990

RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
 of the Board of Education
 Brielle School District
 County of Monmouth
 Brielle, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Brielle School District, in the County of Monmouth, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Brielle Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Brielle Board of Education, in the County of Monmouth, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2012, on our consideration of the Brielle Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 11 through 16 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Brielle Board of Education's basic financial statements. The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company

November 14, 2012

REQUIRED SUPPLEMENTARY INFORMATION
PART I

**BRIELLE BOROUGH SCHOOL DISTRICT
BRIELLE BOROUGH**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

UNAUDITED

The discussion and analysis of Brielle Borough School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2012 are as follows:

- ◆ General revenues accounted for \$13,449,937 in revenue. Program specific revenues for operating grants and contributions, and capital grants and contributions accounted for \$467,105 for total revenue of \$13,917,042.
- ◆ The School District had \$13,507,819 in expenses; only \$467,105 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$13,449,937 were adequate to provide for these programs.
- ◆ The General Fund had \$12,895,255 in revenues and \$12,653,937 in expenditures. Other financing uses included transfer to the Food Service Fund of \$18,205. Overall, the General Fund's balance increased from 2011 by \$73,113.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Brielle Borough Public School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Brielle Borough Public school district, the General Fund is by far the most significant fund.

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, “How did we do financially during 2011-2012?” The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year’s revenues and expenses regardless of when cash is received or paid.

These two statements report the School District’s net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the school district as a whole, the financial positions of the School district has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District’s property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- ◆ Governmental activities – All of the School District’s programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ◆ Business-Type Activities – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District’s Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District’s funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School district’s most significant funds.

Governmental Funds

The School District’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the Future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School district’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

The School District as a Whole

The Statement of Net Assets provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net assets for 2012 and 2011.

Table I
Net Assets

	<u>2012</u>	<u>2011</u>
Assets		
Current and Other Assets	\$ 1,059,852	840,952
Capital Assets	<u>8,390,371</u>	<u>8,583,871</u>
Total Assets	<u>9,450,223</u>	<u>9,424,823</u>
Liabilities		
Long-Term Liabilities	3,405,416	3,815,393
Other Liabilities	<u>470,622</u>	<u>448,540</u>
Total Liabilities	<u>3,876,038</u>	<u>4,263,933</u>
Total Net Assets	<u>\$ 5,574,185</u>	<u>5,160,890</u>

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 85% percent of revenues for governmental activities for the Brielle Borough School District for fiscal year 2012. The District's total revenues were \$13,917,042 for the year ended June 30, 2012.

Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- ◆ Enterprise Fund revenues were \$255,564.
- ◆ Changes in Net Assets was \$(6,934), after adjustments.
- ◆ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities was \$37,944.

Governmental Activities

	<u>2012</u>	<u>2011</u>
Instruction	\$ 3,536,875	3,327,687
Support Services:		
Pupils and Instructional Staff	5,313,231	5,000,031
General Administration, School Administration,		
Business Administration	666,146	640,244
Operation and Maintenance of Facilities	652,827	659,907
Pupil Transportation	485,646	431,551
Interest on Debt	185,133	202,733
Unallocated Benefits	2,129,688	1,783,669
Unallocated Depreciation	<u>275,775</u>	<u>274,728</u>
Total Expenses	<u>\$ 13,245,321</u>	<u>12,320,550</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Extracurricular activities includes expenses related to student activities provided by the School district which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

Other includes unallocated depreciation.

General Fund Budgeting Highlights

The School district's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2012, the School District amended its General Fund budget as needed. The School district uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

Capital Assets

At the end of the fiscal year 2012, the School District had \$8,377,098 invested in land, buildings, furniture and equipment, and vehicles as follows:

Capital Assets (Net of Depreciation) at June 30, 2012 & 2011

	2012	2011
Land	\$ 60,584	\$ 60,584
Building and Improvements	8,185,509	8,390,364
Machinery and Equipment	131,005	121,225
Totals	<u>\$ 8,377,098</u>	<u>8,572,173</u>

Debt Administration

At June 30, 2012, the School district had \$3,805,416 of outstanding debt. Of this amount \$205,416 is for compensated absences. The balance due for the renovation of the school is \$3,600,000.

For the Future

The Brielle Borough School District is in good financial condition presently. A major concern is the continued enrollment growth of the district with the increased reliance on local property taxes. However, future finances are not without challenges as the community continues to grow and state funding is decreased.

Brielle Borough is primarily a residential community, with very few ratables. The majority of the tax levy is raised by residential property taxes.

In conclusion, the Brielle Borough School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School district's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Mr. Edward McManus, School Business Administrator/Board Secretary at Brielle Borough Board of Education, 605 Union Lane, Brielle, NJ 08730 or email at emcmanus@brielle.k12.nj.us.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

BRIELLE SCHOOL DISTRICT**STATEMENT OF NET ASSETS****Exhibit A-1****JUNE 30, 2012**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 132,691	62,532	195,223
Receivables, Net	147,841	3,911	151,752
Restricted Assets:			
Capital Reserve Account - Cash	1		1
Restricted - Cash	705,733		705,733
Capital Assets-Non Depreciable	60,584		60,584
Capital Assets, Net	8,316,514	13,273	8,329,787
Inventory		7,143	7,143
Total Assets	<u>9,363,364</u>	<u>86,859</u>	<u>9,450,223</u>
<u>Liabilities</u>			
Accounts Payable and Accrued Expenses	54,526	16,096	70,622
Noncurrent Liabilities:			
Due Within One Year	400,000		400,000
Due Beyond One Year	3,405,416		3,405,416
Total Liabilities	<u>3,859,942</u>	<u>16,096</u>	<u>3,876,038</u>
<u>Net Assets</u>			
Invested in Capital Assets, Net of Related Debt	4,777,098	13,273	4,790,371
Restricted For:			
Other Purposes	705,734		705,734
Unrestricted	<u>20,590</u>	<u>57,490</u>	<u>78,080</u>
Total Net Assets	<u>\$ 5,503,422</u>	<u>70,763</u>	<u>5,574,185</u>

The accompanying notes to financial statements are an integral part of this statement.

BRIELLE SCHOOL DISTRICTExhibit A-2
Sheet 1 of 2**STATEMENT OF ACTIVITIES****FOR THE YEAR ENDED JUNE 30, 2012**

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Functions/Programs</u>						
Governmental Activities:						
Instruction:						
Regular	\$2,739,965	13,800		(2,726,165)		(2,726,165)
Special Education	562,070		13,817	(548,253)		(548,253)
Other Instruction	234,840		171,795	(63,045)		(63,045)
Support Services:						
Tuition	4,417,266			(4,417,266)		(4,417,266)
Student & Instruction Related Services	873,432		7,816	(865,616)		(865,616)
School Administrative Services	201,946			(201,946)		(201,946)
Other Administrative Services	464,200			(464,200)		(464,200)
Plant Operations and Maintenance	652,827			(652,827)		(652,827)
Pupil Transportation	485,646			(485,646)		(485,646)
Unallocated Benefits	2,129,688			(2,129,688)		(2,129,688)
Interest on Long-Term Debt	185,133			(185,133)		(185,133)
Unallocated Depreciation	275,775			(275,775)		(275,775)
Education Jobs Fund	22,533		22,533	-		-
Total Government Activities	13,245,321	13,800	215,961	(13,015,560)	-	(13,015,560)
Business-Type Activities:						
Other	82,418	68,951			(13,467)	(13,467)
Food Service	180,080	130,449	37,944		(11,687)	(11,687)
Total Business-Type Activities	262,498	199,400	37,944	-	(25,154)	(25,154)
Total Primary Government	13,507,819	213,200	253,905	(13,015,560)	(25,154)	(13,040,714)

BRIELLE SCHOOL DISTRICT

Exhibit A-2
Sheet 2 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2012

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
General Revenues:						
Taxes						
Property Taxes, Levied for General Purpose, Net				11,556,081		11,556,081
Taxes Levied for Debt Service				591,000		591,000
Federal and State Aid Not Restricted				1,272,773		1,272,773
Miscellaneous Income				30,068	15	30,083
Transfer to Food Service				(18,205)	18,205	-
Total General Revenues, Special Items, Extraordinary Items and Transfers				13,431,717	18,220	13,449,937
Change in Net Assets				416,157	(6,934)	409,223
Adjustment: Prior Period Depreciation					4,072	4,072
Net Assets - Beginning				5,087,265	73,625	5,160,890
Net Assets - Ending				\$ 5,503,422	70,763	5,574,185

The accompanying Notes to Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS – B

BALANCE SHEET**GOVERNMENTAL FUNDS****JUNE 30, 2012**

	General Fund	Capital Fund	Debt Service Fund	Total Governmental Funds
<u>Assets</u>				
Cash and Cash Equivalents-Restricted	\$ 586,531	119,198	5	705,734
Cash and Cash Equivalents-Nonrestricted	132,691			132,691
Receivables, Net	147,841			147,841
Total Assets	<u>\$ 867,063</u>	<u>119,198</u>	<u>5</u>	<u>986,266</u>
<u>Liabilities and Fund Balance</u>				
Liabilities:				
Accounts Payable	\$ 54,526			54,526
Total Liabilities	<u>54,526</u>		<u>-</u>	<u>54,526</u>
Fund Balance:				
Restricted : To:				
Capital Reserve	1			1
Maintenance Reserve	206,406			206,406
Maintenance Reserve-Designated for Subsequent Years Expenditures	300,000			300,000
Assigned To:				
Reserve for Encumbrances	23,811	60,685		84,496
Capital Fund		58,513		58,513
Debt Service			5	5
Legally Restricted:				
Unassigned Fund Balance-Designated for Subsequent Years Expenditures	57,199			57,199
Unassigned-General Fund	225,120			225,120
Total Fund Balances	<u>812,537</u>	<u>119,198</u>	<u>5</u>	<u>931,740</u>
Total Liabilities and Fund Balance	<u>\$ 867,063</u>	<u>119,198</u>	<u>5</u>	

Amounts reported for governmental activities in the Statement of Net Assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$14,486,831 and the accumulated depreciation is \$ 6,109,733.

8,377,098

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (see Note 3)

(3,805,416)

Net assets of governmental activities

\$ 5,503,422

The accompanying Notes to Financial Statements are an integral part of this statement.

BRIELLE SCHOOL DISTRICT

Exhibit B-2
Sheet 1 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

Revenues	General Fund	Special Revenue Fund	Capital Fund	Debt Service Fund	Total Governmental Funds
Local Sources:					
Tuition	\$ 13,800				13,800
Local Tax Levy	11,556,081			591,000	12,147,081
Miscellaneous	30,068				30,068
Total Local Sources	11,599,949			591,000	12,190,949
State Sources	1,272,773	-			1,272,773
Federal Sources	22,533	193,428			215,961
Total Revenues	12,895,255	193,428		591,000	13,679,683
Expenditures					
Current:					
Regular Instruction	2,755,182				2,755,182
Special Education Instruction	548,253	13,817			562,070
Other Instruction	63,045	171,795			234,840
Support Services and Undistributed Costs:					
Tuition	4,417,266				4,417,266
Student and Instruction Related Services	865,616	7,816			873,432
School Administrative Services	201,946				201,946
Other Administrative Services	464,200				464,200
Plant Operations and Maintenance	671,692				671,692
Pupil Transportation	485,646				485,646
Unallocated Benefits	2,129,688				2,129,688
Capital Outlay	28,870		91,487		120,357
Debt Service:					
Principal				400,000	400,000
Interest and Other Charges				191,000	191,000
Education Jobs Fund					
Total Expenditures	22,533	193,428	91,487	591,000	22,533
	12,653,937				13,529,852

The accompanying Notes to Financial Statements are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCESGOVERNMENTAL FUNDSFOR THE YEAR ENDED JUNE 30, 2012

	General Fund	Special Revenue Fund	Capital Fund	Debt Service Fund	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	241,318	-	(91,487)	-	149,831
Other Financing Sources (Uses):					
Transfer from Maintenance Reserve	(150,000)		150,000		-
Transfer to Food Service	(18,205)				(18,205)
Total Other Financing Sources (Uses)	(168,205)	-	150,000	-	(18,205)
Net Change in Fund Balances	73,113	-	58,513	-	131,626
Fund Balance - July 1	739,424			5	739,429
Fund Balance - June 30	\$ 812,537	-	58,513	5	871,055

The accompanying Notes to Financial Statements are an integral part of this statement.

BRIELLE SCHOOL DISTRICTRECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURESAND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Exhibit B-3

TO THE STATEMENT OF ACTIVITIESFOR THE YEAR ENDED JUNE 30, 2012

Total Net Change in Fund Balances - Governmental Funds (From B-2)		\$ 131,626
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:		
Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation Expense	(275,775)	
Capital Outlays	<u>120,357</u>	(155,418)
Adjustment for Capital Outlay Not Capitalized		18,865
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		400,000
Compensated Absences		15,217
Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental fund, interest is reported when due.		<u>5,867</u>
Change in Net Assets of Governmental Activities		<u>\$ 416,157</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BRIELLE SCHOOL DISTRICT**STATEMENT OF NET ASSETS**

Exhibit B-4

PROPRIETARY FUNDS**JUNE 30, 2012**

	<u>Business-type Activities Enterprise Fund</u>
<u>Assets</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 62,532
Accounts Receivable:	
State	298
Federal	3,613
Inventories	7,143
Total Current Assets	<u>73,586</u>
Noncurrent Assets:	
Equipment	68,465
Accumulated Depreciation	<u>(55,192)</u>
Total Noncurrent Assets	<u>13,273</u>
Total Assets	<u><u>\$ 86,859</u></u>
<u>Liabilities</u>	
Accounts Payable	\$ 12,684
Prepaid Expenses	<u>3,412</u>
Total Liabilities	<u><u>\$ 16,096</u></u>
<u>Net Assets</u>	
Investment in Fixed Assets	\$ 13,273
Unrestricted	<u>57,490</u>
Total Net Assets	<u><u>\$ 70,763</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BRIELLE SCHOOL DISTRICT

25.

STATEMENT OF REVENUES, EXPENSES AND CHANGES

Exhibit B-5

IN FUND NET ASSETS

PROPRIETARY FUNDS

JUNE 30, 2012

	<u>Business-type Activities Enterprise Fund</u>
Operating Revenues:	
Local Sources:	
Daily Sales Reimbursable Programs	\$ 130,449
Fees	68,951
Total Operating Revenue	<u>199,400</u>
Operating Expenses:	
Salaries	156,807
Benefits	4,120
Cost of Sales	76,861
Management Fee	5,490
Depreciation	2,497
Miscellaneous	16,723
Total Operating Expenses	<u>262,498</u>
Operating (Loss)/Profit	(63,098)
Non-Operating Revenues:	
State Sources:	
State School Lunch Program	1,706
Federal Sources:	
National School Lunch Program	20,517
Food Distribution Program	15,721
Interest Revenue	15
Board Subsidy	18,205
Total Non-Operating Revenues	<u>56,164</u>
Change in Net Assets	(6,934)
Adjustment: Prior Period Depreciation	4,072
Net Assets, July 1	<u>73,625</u>
Net Assets, June 30	<u>\$ 70,763</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BRIELLE SCHOOL DISTRICT**STATEMENT OF CASH FLOWS**

Exhibit B-6

PROPRIETARY FUNDS**JUNE 30, 2012**

	<u>Business-type Activities Enterprise Fund</u>
Cash Flows from Operating Activities:	
Receipts from Daily Sales	\$ 199,400
Payments to Employees	(156,537)
Payments to Suppliers	(93,019)
Net Cash Used by Operating Activities	<u>(50,156)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	1,706
Federal Sources	20,517
Board Subsidy	18,205
Net Cash Provided by Noncapital Financing Activities	<u>40,428</u>
Cash Flows from Investing Activities:	
Interest Received	<u>15</u>
Net Cash Provided by Investing Activities	<u>15</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(9,713)
Cash and Cash Equivalents July 1	<u>72,245</u>
Cash and Cash Equivalents June 30	<u><u>\$ 62,532</u></u>
Cash Flows from Operating Activities:	
Operating (Loss)/Profit	\$ (63,098)
Adjustments to Reconcile Operating Loss to Cash	
Provided (Used) by Operating Activities:	
Federal Commodities Consumed	15,721
Depreciation	2,497
Changes in Assets and Liabilities:	
Increase/(Decrease) in Accounts Payable	(2,935)
(Increase)/Decrease in Accounts Receivables	639
(Increase)/Decrease in Inventory	<u>(2,980)</u>
Net Cash Used by Operating Activities	<u><u>\$ (50,156)</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

STATEMENT OF FIDUCIARY NET ASSETS

Exhibit B-7

FIDUCIARY FUNDSJUNE 30, 2012

	<u>Scholarship Fund</u>	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Account</u>	<u>Agency Funds</u>
Assets:				
Cash and Cash Equivalents	\$ 7,464	3,732	1,155	7,967
Total Assets	<u>\$ 7,464</u>	<u>3,732</u>	<u>1,155</u>	<u>7,967</u>
Liabilities:				
Payroll Deductions and Withholdings			\$ 1,155	7,967
Total Liabilities			<u>\$ 1,155</u>	<u>7,967</u>
Net Assets:				
Reserved - Scholarship	\$ 7,464	3,732		
Reserved - Unemployment Benefits				
Total Net Assets	<u>\$ 7,464</u>	<u>3,732</u>		

The accompanying Notes to Financial Statements are an integral part of this statement.

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

Exhibit B-8

FIDUCIARY FUNDS**JUNE 30, 2012**

	Scholarship Fund	Unemployment Compensation Trust
<u>Additions</u>		
Interest on Investments	\$ 29	2
Contributions	-	46,442
Total Additions	29	46,444
<u>Deductions</u>		
Scholarship Payments	450	
Unemployment Claims	-	45,790
Total Deductions	450	45,790
Change in Net Assets	(421)	654
Net Assets - Beginning of Year	7,885	3,078
Net Assets - End of the Year	\$ 7,464	3,732

The accompanying Notes to Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

BOARD OF EDUCATION
BRIELLE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2012

NOTE 1: Summary of Significant Accounting Policies

The financial statements of the Board of Education (Board) of the Brielle School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Government Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds and account groups of the District over which the Board exercises operating control. The operations of the District include an elementary school located in Brielle Borough. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore the District is not includable in any other reporting entity on the basis of such criteria.

B. Government-Wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of the government as a whole. These financial statements are constructed around the concept of a primary government as defined by GASB-14 (The Financial Reporting Entity) and therefore encompass the primary government and its component units except for fiduciary funds of the primary government and component units that are fiduciary in nature. Financial statements of fiduciary funds are not presented in the government-wide financial statements but are included in the fund financial statements.

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Government-Wide Financial Statements (Continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include (1) charges for services which report fees and other charges to users of the District's services and (2) operating grants and contributions. These revenues are subject to externally imposed restrictions to these program uses. Tax levies and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary and fiduciary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of the District are prepared in accordance with generally accepted accounting principles (GAAP). The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The government-wide and proprietary fund financial statements apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Proprietary and fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. County tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met. The Unemployment Trust Fund recognizes employer and employee contributions in the period in which contributions are due.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to apply current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for long-term pension and compensated absences, which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual includes Intergovernmental revenues, and the county tax levy. In general, other revenues are recognized when cash is received.

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for food sales and for services provided to other governmental entities. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

D. Fund Accounting:

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental Fund Types

General Fund: The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

Capital Projects Fund: the capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Debt Service Fund: The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued):

Proprietary Fund Type

Enterprise Fund: To account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent of the District is that the costs of providing goods or services to the District on a continuing basis be financed or recovered primarily through user charges.

Fiduciary Fund Types

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Unemployment Compensation Trust Fund: The trust fund is used to account for assets held under the terms of a formal trust agreement. The District reimburses the costs of unemployment benefits paid by the New Jersey Department of Labor.

Agency Funds (Payroll and Student Activities Fund): Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

E. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g). All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2012 were insignificant.

The Public School Education Act of 1975, limits the annual increase of any district's net current expense budget. The Commissioner of Education certifies the allowable amount for each district but may grant a higher level of increase if he determines that the sums so provided would be insufficient to meet the identified goals and needs of the district or that an anticipated enrollment increase requires additional funds.

The Commissioner must also review every proposed local school district budget for the next school year. He examines every item of appropriations for current expenses and budgeted capital outlay to determine their adequacy in relation to the identified needs and goals of the district. If, in his view, they are insufficient, the Commissioner must order remedial action. If necessary, he is authorized to order changes in the local district budget.

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Budgets/Budgetary Control (Continued):

Once a budget is approved, it can be amended by transfers or additional appropriation of fund balances by approval of a majority of the members of the Board. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law. Individual transfers were not material in relation to the original appropriations. All uncommitted budget appropriations lapse at year-end.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

F. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

G. Short-Term Interfund Receivables/Payables:

Short-Term interfund receivables/payables represents amounts that are owed, other than charges for good or services rendered to/from a particular fund in the District and that are due within one year.

H. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, are recorded as an expenditure during the year of purchase. The value of inventories remaining at the end of the fiscal year is not included on the balance sheet.

NOTE 1: Summary of Significant Accounting Policies (Continued)

H. Inventories and Prepaid Expenses (Continued)

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

I. Capital Assets and Depreciation

The District's property, buildings and improvements, equipment, vehicles, furniture and fixtures with useful lives of five years or more are stated at historical or estimated historical cost and are reported in the government-wide financial statements. Proprietary Fund capital assets are reported in its respective fund.

The District contracted with an outside service company during the 2006 fiscal year to provide a report with a comprehensive detail of capital assets and depreciation. The report has been updated to include capital assets purchased subsequently with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2006, fiscal year 2006 depreciation expense, total accumulated depreciation and book values were also provided. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and Improvements	20 – 50
Equipment and Vehicles	5 – 20
Furniture and Fixtures	5 – 20

Capital asset activity for the year ended June 30, 2012 was as follows:

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2012</u>
Governmental Activities:				
Capital Assets That Are Not Being Depreciated:				
Land	\$ 60,584			60,584
Total Capital Assets Not Being Depreciated	60,584			60,584
Depreciable Assets:				
Site Improvements	18,798			18,798
Buildings	13,985,864	25,000		14,010,864
Equipment	340,885	55,700		396,585
Total	14,345,547	80,700		14,426,247

NOTE 1: Summary of Significant Accounting Policies (Continued)

I. Capital Assets and Depreciation (Continued)

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2012</u>
Less: Accumulated Depreciation For:				
Sites	(18,798)			(18,798)
Buildings	(5,595,500)	(229,855)		(5,825,355)
Equipment	<u>(219,660)</u>	<u>(45,920)</u>		<u>(265,580)</u>
Total Accumulated Depreciation	<u>(5,833,958)</u>	<u>(275,775)</u>		<u>(6,109,733)</u>
Net Depreciable Assets	<u>8,511,589</u>	<u>(195,075)</u>		<u>8,316,514</u>
Government Activities:				
Capita Assets, Net	<u>\$ 8,572,173</u>	<u>(195,075)</u>		<u>8,377,098</u>
Business-Type Activities:				
Equipment	\$ 68,465			68,465
Less: Accumulated Depreciation:				
Equipment	<u>(56,767)</u>	<u>(2,497)</u>	<u>4,072</u>	<u>(55,192)</u>
Business-Type Activities Capital Assets (Net)	<u>\$ 11,698</u>	<u>(2,497)</u>	<u>4,072</u>	<u>13,273</u>

Depreciation expense was charged to governmental functions as follows:

Unallocated	<u>\$ 275,775</u>
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J. Compensated Absences

District employees are permitted, within certain limitations, to accrue vacation and sick leave in varying amounts under the Districts personnel policies and may be paid at a later date according to contractual agreements.

The liability for vested compensated absences of the governmental fund types is recorded in the government-wide financial statements as a non-current liability. Governmental funds report only matured compensated absences payable to currently terminating employees and are included in wages and benefits payable.

NOTE 1: Summary of Significant Accounting Policies (Continued)

K. Deferred Revenue

Deferred revenue in the special revenue funds represent cash which has been received but not yet earned. See Note 1(F) regarding the special revenue fund.

L. Fund Equity

The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes. The general fund reserve for restricted purposes includes net assets relating to capital reserve (See Note 9).

NOTE 2: Cash and Cash Equivalents and Investments

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The District classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

NOTE 2: Cash and Cash Equivalents and Investments (Continued)**Investments**

New Jersey statutes permit the District to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or any United States Bank for cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school district.

As of June 30, 2012, cash and cash equivalents and investments of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking, Money Market Accounts	<u>\$ 938,100</u>

During the period ended June 30, 2012, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2012 was \$938,100 and the bank balance was \$1,223,977, of the bank balance \$250,000 was covered by federal depository insurance and \$973,977 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Credit Risk Categories

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following two categories described below:

FDIC	\$ 250,000
GUPDA	<u>973,977</u>
	<u>\$ 1,223,977</u>

As of June 30, 2012, the District did not hold any long-term investments.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a formal policy for custodial credit risk.

The District had no uninsured deposits.

NOTE 3: General Long-Term Debt

During the fiscal year ended June 30, 2012, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Long-Term</u> <u>Portion</u>	<u>2012-13</u> <u>Payment</u>
Compensated Absences Payable	\$ 220,633		15,217	205,416	205,416	
Bonds Payable	4,000,000		400,000	3,600,000	3,200,000	400,000
Capital Leases	<u>8,944</u>	<u> </u>	<u>8,944</u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 4,229,577</u>	<u> </u>	<u>424,161</u>	<u>3,805,416</u>	<u>3,405,416</u>	<u>400,000</u>

a. **Bonds Payable** – Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

Principal and interest due on bonds outstanding is as follows:

- a. Bonds issued 2/27/01 for \$6,915,000 for 20 years maturing 3/1/21 at a 4.4 to 5.0% rate of interest with a balance of \$3,600,000 at June 30, 2012.

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 400,000	173,400	573,400
2014	400,000	155,400	555,400
2015	400,000	137,000	537,000
2016	400,000	118,200	518,200
2017	400,000	99,200	499,200
2018-2021	<u>1,600,000</u>	<u>199,800</u>	<u>1,799,800</u>
	<u>\$ 3,600,000</u>	<u>883,000</u>	<u>4,483,000</u>

NOTE 4: Pension Plans

Description of Plans – All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teacher's Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF) – The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) – The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Vesting and Benefit Provisions – The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provide for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provision of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contribution. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

NOTE 4: Pension Plans (Continued)

Significant Legislation - During the year ended June 30, 1997, legislation was enacted Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997), changed the asset valuation method from market related value to full-market value. This legislation also contains a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

Funding Policy – The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Legislation enacted during 1993 provides early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1994 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 years but less than 20 years of service. The Board will assume the increased cost for the early retirement as it affects their districts.

During the year ended June 30, 2012, the State of New Jersey contributed \$384,787 to the TPAF for post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$444,776 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditure in accordance with GASB 24.

Three-Year Trend Information for PERS

Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
<u>Funding</u>			
6/30/12	\$ 83,607	100%	0
6/30/11	77,023	100%	0
6/30/10	57,022	100%	0

NOTE 4: Pension Plans (Continued)

<u>Three-Year Trend Information for TPAF (Paid on Behalf of District)</u>			
<u>Year</u>	<u>Annual</u>	<u>Percentage</u>	<u>Net</u>
<u>Funding</u>	<u>Pension</u>	<u>of APC</u>	<u>Pension</u>
	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
6/30/12	\$ 384,787	100%	0
6/30/11	271,502	100%	0
6/30/10	253,102	100%	0

NOTE 5: Post-Retirement Benefits

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in Fiscal Year 2011.

NOTE 6: Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the right to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the general long-term debt account group (or current and long-term liabilities). The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability balance of compensated absences.

NOTE 6: Compensated Absences (Continued)

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2012, no liability existed for compensated absences in the Food Service Fund.

NOTE 7: Capital Reserve Account

A capital reserve account was established by the Borough of Brielle Board of Education by inclusion of \$1 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may deposit funds into the capital reserve at any time upon board resolution through the transfer of undesignated, unreserved general fund balance or of excess undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Post-April 2004 transfers must be in compliance with P.L. 2004, C.73 (S1701). Pursuant to *N.J.A.C. 6:23A-5.1(d) 7*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

During the fiscal year ended June 30, 2012, the District had no interest earnings.

NOTE 8: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current year and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2011-2012	\$ 46,444		45,790	3,731
2010-2011	117,133	3,068	128,545	3,078
2009-2010	0	8,906	12,755	11,422

NOTE 9: Fund Balance Appropriated

General Fund – Of the \$842,281 General Fund fund balance at June 30, 2012, \$23,811 is reserved for encumbrances; \$1 has been reserved in the Capital Reserve Account; \$206,406 is reserved for maintenance; \$300,000 is maintenance reserve designated for subsequent years expenditures; \$57,199 is designated for subsequent years expenditures designated by the Board of Education; and \$254,864 is unreserved and undesignated.

NOTE 10: Calculation of Excess Surplus

In accordance with *N.J.S.A. 18A:7F-7*, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There is no excess surplus at June 30, 2012.

NOTE 11: Tuition Adjustments

Regulations specify that tuition adjustments for any given school year shall be remitted/ received in the two following years after the tuition rate is certified. These adjustments have not been reflected on the June 30, 2012 financial statements.

NOTE 12: Economic Dependency

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the District's programs and activities.

NOTE 13: Contingent Liabilities

The Board is involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect of the financial position of the District.

NOTE 14: 2% Calculation of Excess Surplus

2011-12 Total General Fund Expenditures Per the CAFR	\$ 12,653,937
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(829,563)</u>
Adjusted 2011-12 General Fund Expenditures	<u>\$ 11,824,374</u>
2% of Adjusted 2011-12 General Fund Expenditures	<u>\$ 236,487</u>

NOTE 14: 2% Calculation of Excess Surplus (Continued)

Enter Above or \$250,000 Whichever is Greater	\$ 250,000
Increased by Allowable Adjustment	<u>4,864</u>

Maximum Unassigned Fund Balance	<u>\$ 254,864</u>
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Section 2

Total General Fund – Fund Balance @ 6-30-12	\$ 842,281
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Decreased by:

Legally Restricted:

Designated for Subsequent Years Expenditures	(57,199)
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Reserved for Encumbrances	(23,811)
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Other Restricted Reserved Fund Balances	<u>(506,407)</u>
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Total Unassigned Fund Balance	<u>\$ 254,864</u>
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Excess Surplus	<u>\$ 0</u>
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Section 3**Detail of Allowable Adjustments**

Non-Public Transportation	<u>\$ 4,864</u>
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Detail of Other Restricted Fund Balance

Maintenance Reserve	\$ 506,406
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Capital Reserve	<u>1</u>
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	<u>\$ 506,407</u>
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NOTE 15: Significant Accounting Pronouncements

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the District has updated references to GAAP in its financial statements issued for the period ended June 30, 2012. The adoption of FASB ASC 105 did not impact the District's financial position or results of operations.

In May 2009, the FASB updated ASC 855, Subsequent Events, which is effective for reporting periods ending after June 15, 2009. ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued, or are available to be issued. The District adopted the amended sections of ASC 855 and it did not have an impact on the District's financial statements. The District evaluated all events or transactions that occurred after June 30, 2012 through November 14, 2012.

BUDGETARY COMPARISON SCHEDULES – C

BRIELLE SCHOOL DISTRICT

Exhibit C-1
Sheet 1 of 9

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 11,556,081		11,556,081	11,556,081	-
Tuition	36,000		36,000	13,800	(22,200)
Unrestricted Miscellaneous Revenue	21,504		21,504	30,068	8,564
Total Local Sources	<u>11,613,585</u>	<u>-</u>	<u>11,613,585</u>	<u>11,599,949</u>	<u>(13,636)</u>
State Sources:					
Special Education Aid	206,210	113,439	319,649	319,649	-
Extraordinary Aid	174,000		174,000	142,977	(31,023)
Non Public Transportation			-	4,864	4,864
TPAF Pension (On-Behalf - Non-Budgeted)			-	384,787	384,787
TPAF Social Security (Reimbursed Non-Budgeted)			-	444,776	444,776
Total State Sources	<u>380,210</u>	<u>113,439</u>	<u>493,649</u>	<u>1,297,053</u>	<u>803,404</u>
Federal Sources:					
Education Jobs Fund	21,849	684	22,533	22,533	-
Total Revenues	<u>12,015,644</u>	<u>114,123</u>	<u>12,129,767</u>	<u>12,919,535</u>	<u>789,768</u>

BRIELLE SCHOOL DISTRICT

Exhibit C-1
Sheet 2 of 9

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Expenditures:					
Current Expense:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	150,414	79,204	229,618	224,872	4,746
Grades 1-5 - Salaries of Teachers	1,301,758	84,191	1,385,949	1,385,442	507
Grades 6-8 - Salaries of Teachers	944,207	38,215	982,422	982,422	-
Regular Programs - Home Instruction:					
Salaries	1,000	-	1,000		1,000
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	9,000	986	9,986	9,986	-
Other Purchased Services (400-500 Series)	20,000	(5,697)	14,303	14,303	-
General Supplies	144,106	(31,303)	112,803	109,099	3,704
Textbooks	20,000	(14,283)	5,717	4,825	892
Other Objects	22,000	2,234	24,234	24,233	1
Total Regular Programs - Instruction	<u>2,612,485</u>	<u>153,547</u>	<u>2,766,032</u>	<u>2,755,182</u>	<u>10,850</u>
Special Education - Instruction:					
Multiple Disabilities:					
Other Salaries for Instruction	124,005	3,309	127,314	127,162	152
Total Learning and/or Language Disabilities	<u>124,005</u>	<u>3,309</u>	<u>127,314</u>	<u>127,162</u>	<u>152</u>
Resource Room/Resource Center:					
Salaries of Teachers	316,426	13,930	330,356	330,356	-
General Supplies	1,500	-	1,500	1,127	373
Total Resource Room/Resource Center	<u>317,926</u>	<u>13,930</u>	<u>331,856</u>	<u>331,483</u>	<u>373</u>

BRIELLE SCHOOL DISTRICT

Exhibit C-1
Sheet 3 of 9

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Preschool Disabilities - Full-Time:					
Salaries of Teachers	78,303	(8,720)	69,583	69,405	178
Other Salaries for Instruction	21,702	-	21,702	20,203	1,499
Total Preschool Disabilities - Full-Time	100,005	(8,720)	91,285	89,608	1,677
Total Special Education - Instruction	541,936	8,519	550,455	548,253	2,202
Bilingual Education - Instruction:					
Salaries of Teachers	8,000	160	8,160	8,160	-
Total Bilingual Education - Instruction	8,000	160	8,160	8,160	-
School Sponsored Cocurricular Activities-Instruction:					
Salaries		55,000	55,000	31,860	23,140
School Sponsored Athletics - Instruction:					
Salaries	15,000	18,860	33,860	21,885	11,975
Other Objects		1,140	1,140	1,140	
Total School Sponsored Athletics-Instruction	15,000	20,000	35,000	23,025	11,975
Total Instruction	3,177,421	237,226	3,414,647	3,366,480	48,167
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's Within the State - Regular	3,398,216	50,814	3,449,030	3,443,553	5,477
Tuition to Other LEA's Within the State - Special	589,146	4,034	593,180	541,992	51,188
Tuition to Private School for the Handicapped Within State	502,918	(143,525)	359,393	257,628	101,765
Tuition to County Vocational - Regular	148,000	16,275	164,275	156,425	7,850
Tuition to County Vocational - Special	20,400	(1,275)	19,125	17,668	1,457
Total Instruction	4,658,680	(73,677)	4,585,003	4,417,266	167,737

BRIELLE SCHOOL DISTRICT

Exhibit C-1
Sheet 4 of 9

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Health Services:					
Salaries	59,835	730	60,565	60,266	299
Supplies and Materials	3,000	-	3,000	2,420	580
Total Health Services	62,835	730	63,565	62,686	879
Guidance:					
Salaries of Other Professional Staff	66,917	1,280	68,197	67,380	817
Total Guidance	66,917	1,280	68,197	67,380	817
Other Support Services - Student Related Services:					
Salaries	73,112	(765)	72,347	72,009	338
Purchased Professional/Technical Services	140,000	20,748	160,748	160,748	
Total Other Support Services - Student Related Svcs.	213,112	19,983	233,095	232,757	338
Other Support Services - Students Special:					
Salaries of Other Professional Staff	175,825	(8,806)	167,019	167,019	-
Salaries Secretarial and Clerical	34,100	89	34,189	34,189	-
Purchased Professional Educational Services	85,000	(3,155)	81,845	81,845	-
Total Other Support Services - Students Special	294,925	(11,872)	283,053	283,053	-
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	57,136	-	57,136	56,605	531
Salaries of Other Professional Staff	18,000	-	18,000	816	17,184
Total Improvement of Instructional Services	75,136	-	75,136	57,421	17,715

BRIELLE SCHOOL DISTRICT

**Exhibit C-1
Sheet 5 of 9**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Educational Media Services/School Library:					
Salaries	162,877	(12,764)	150,113	150,113	-
Purchased Professional/Technical Services	500	-	500	50	450
Supplies & Materials	10,000	-	10,000	6,759	3,241
Total Educational Media Services/School Library	173,377	(12,764)	160,613	156,922	3,691
Instructional Staff Training Service:					
Other Objects	20,000	-	20,000	5,397	14,603
Support Services - General Administration:					
Salaries	81,208	-	81,208	78,948	2,260
Legal Services	30,000	12,555	42,555	42,555	-
Other Purchased Professional Services	11,500	-	11,500	10,190	1,310
Communications/Telephone	8,500	(2,078)	6,422	4,847	1,575
Other Purchased Services (400-500 Series)	20,000	-	20,000	19,954	46
Miscellaneous Expenditures	60,000	(17,754)	42,246	39,452	2,794
BOE Membership Dues And Fees	6,000	-	6,000	6,000	-
Total Support Services - General Administration	217,208	(7,277)	209,931	201,946	7,985
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	134,768	(2,127)	132,641	131,953	688
Salaries of Other Professional Staff	139,481	8,458	147,939	147,524	415
Total Support Services - School Administration	274,249	6,331	280,580	279,477	1,103

BRIELLE SCHOOL DISTRICT

Exhibit C-1
Sheet 6 of 9

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Central Services:					
Salaries	142,094	946	143,040	143,040	-
Administrative Information Technology:					
Purchased Professional Services	43,900	-	43,900	41,683	2,217
Required Maintenance for School Facilities:					
Cleaning, Repair & Maintenance Services	90,000	19,514	109,514	109,514	-
General Supplies	45,000	1,230	46,230	46,230	-
Other Objects	4,000	-	4,000	3,505	495
Total Required Maintenance for School Facilities	139,000	20,744	159,744	159,249	495
Other Operations and Maintenance of Plant:					
Salaries	272,588	997	273,585	273,585	-
Other Purchased Property Services	6,000	-	6,000	3,238	2,762
Insurance	35,000	-	35,000	35,000	-
Energy & Electricity	162,500	(34,535)	127,965	115,642	12,323
Energy -Natural Gas	80,000	(26,731)	53,269	41,329	11,940
Total Other Operations and Maintenance of Plant	556,088	(60,269)	495,819	468,794	27,025
Care and Upkeep of Grounds:					
Cleaning, Repair & Maintenance	14,000	28,149	42,149	42,149	-
Security:					
Cleaning, Repair and Maintenance	5,000	11,376	16,376	1,500	14,876
Total Operation & Maintenance of Plant Services	714,088	-	714,088	671,692	42,396

BRIELLE SCHOOL DISTRICT

Exhibit C-1
Sheet 7 of 9

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Student Transportation Services:					
Contracted Services (Between Home & School) Vendors	40,500	-	40,500	39,096	1,404
Contracted Services (Other Than Between Home & School) Vendors		6,432	6,432	6,432	-
Contracted Services (Regular Students) ESC's & CTSA's	158,863	10,736	169,599	169,069	530
Contracted Services (Sp. Ed. Students) ESC's & CTSA's	262,662	14,153	276,815	251,601	25,214
Contracted Services - Aid in Lieu of Payments	14,400	5,048	19,448	19,448	-
Total Student Transportation Services	<u>476,425</u>	<u>36,369</u>	<u>512,794</u>	<u>485,646</u>	<u>27,148</u>
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	92,000	2,627	94,627	94,627	-
Other Retirement Contributions-PERS	88,282	-	88,282	83,607	4,675
Unemployment	81,755	(36,899)	44,856	44,855	1
Workmen's Compensation	66,000	(14,411)	51,589	47,443	4,146
Health Benefits	954,624	44,359	998,983	998,983	-
Tuition Reimbursement	30,000	-	30,000	10,449	19,551
Other Employee Benefits	17,685	4,324	22,009	20,161	1,848
Total Unallocated Benefits - Employee Benefits	<u>1,330,346</u>	<u>-</u>	<u>1,330,346</u>	<u>1,300,125</u>	<u>30,221</u>
On-Behalf TPAF Pension Contributions (Non-Budgeted)		-		384,787	(384,787)
Reimbursed TPAF Social Security (Non-Budgeted)		-		444,776	(444,776)
	-	-	-	829,563	(829,563)
Total Undistributed Expenditures	<u>8,763,292</u>	<u>(39,951)</u>	<u>8,723,341</u>	<u>9,236,054</u>	<u>(512,713)</u>
Total General Current Expense	<u>11,940,713</u>	<u>197,275</u>	<u>12,137,988</u>	<u>12,602,534</u>	<u>(464,546)</u>

BRIELLE SCHOOL DISTRICT

Exhibit C-1
Sheet 8 of 9

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Capital Outlay:					
Equipment - Upkeep of grounds	15,000	-	15,000	6,653	8,347
Facilities Acquisition and Construction Services:					
Other Objects	22,217	-	22,217	22,217	-
Total Capital Outlay	37,217	-	37,217	28,870	8,347
Education Jobs Fund:					
Tuition		22,533	22,533	22,533	
Total Expenditures	11,977,930	219,808	12,197,738	12,653,937	(456,199)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	37,714	(105,685)	(67,971)	265,598	333,569
Other Financing Sources (Uses):					
Transfer to Fund 30	(37,714)		(37,714)	(150,000)	(150,000)
Transfer to Food Service	(37,714)		(37,714)	(18,205)	19,509
Total Other Financing Sources (Uses)		-		(168,205)	(130,491)
Total (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	-	(105,685)	(105,685)	97,393	203,078
Fund Balance July 1	744,888		744,888	744,888	-
Fund Balance June 30	\$ 744,888	(105,685)	639,203	842,281	203,078

BRIELLE SCHOOL DISTRICT

Exhibit C-1
Sheet 9 of 9

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation					
Restricted Fund Balance:					
Capital Reserve				\$ 1	
Maintenance Reserve				206,406	
Maintenance Reserve-Designated for Subsequent Years Expenditures				300,000	
Committed Fund Balance:					
Year End Encumbrances				23,811	
Assigned Fund Balance:					
Designated for Subsequent Years Expenditures by the Board of Education				57,199	
Unassigned Fund Balance				254,864	
				<u>842,281</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Final State Aid Payments not Recognized on GAAP Basis				<u>(29,744)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 812,537</u>	

BRIELLE SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1b

EDUCATION JOBS FUND

FEDERAL AID

	<u>Adjusted Budget</u>	<u>Expended</u>	<u>Funds Available</u>
Tuition: 18-080-100-566	<u>\$ 22,533</u>	<u>22,533</u>	<u></u>
Total Education Jobs Fund	<u><u>\$ 22,533</u></u>	<u><u>22,533</u></u>	<u><u>-</u></u>

BRIELLE SCHOOL DISTRICT

Exhibit C-2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Federal Sources	\$ 143,225	50,203	193,428	193,428	
Total Revenues	<u>\$ 143,225</u>	<u>50,203</u>	<u>193,428</u>	<u>193,428</u>	<u>-</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 5,000	8,817	13,817	13,817	
Purchased Professional and Technical Services	6,591	(1,438)	5,153	5,153	
Tuition	131,634	35,008	166,642	166,642	
Total Instruction	<u>143,225</u>	<u>42,387</u>	<u>185,612</u>	<u>185,612</u>	<u>-</u>
Support Services:					
Personal - Services - Benefits		663	663	663	
Purchased Professional and Technical Services		7,153	7,153	7,153	
Total Support Services	<u>-</u>	<u>7,816</u>	<u>7,816</u>	<u>7,816</u>	<u>-</u>
Total Expenditures	<u>\$ 143,225</u>	<u>50,203</u>	<u>193,428</u>	<u>193,428</u>	<u>-</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BRIELLE SCHOOL DISTRICTREQUIRED SUPPLEMENTARY INFORMATION

Exhibit C-3

BUDGET-TO GAAP RECONCILIATIONNOTE TO RSIFOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual Amounts (Budgetary Basis) "Revenue" from Budgetary Comparison Schedule	\$ 12,919,535	193,428
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	5,464	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	<u>(29,744)</u>	
Total Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 12,895,255</u>	<u>193,428</u>
<u>Uses/Outflows of Resources</u>		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 12,653,937	193,428
Differences - Budget to GAAP:		
Encumbrances for Supplies and Equipment Ordered but not Received are reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes		
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 12,653,937</u>	<u>193,428</u>

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND – E

BRIELLE SCHOOL DISTRICT

Exhibit E-1

SPECIAL REVENUE FUND

COMBINING STATEMENT OF REVENUES AND EXPENDITURES

BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Title I	Title IIA	I.D.E.A. Part B Basic	I.D.E.A. Part B Pre-School	Total
Revenues:					
Federal Sources	\$ 9,327	10,306	166,642	7,153	193,428
Total Revenues	\$ 9,327	10,306	166,642	7,153	193,428
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 8,664	5,153			13,817
Purchased Prof. & Technical Services		5,153			5,153
Tuition			166,642		166,642
Total Instruction	8,664	10,306	166,642	-	185,612
Support Services:					
Personal Services - Employee Benefits	663			7,153	663
Purchased Prof. & Technical Services	663	-	-	7,153	7,153
Total Support Services	663	-	-	7,153	7,816
Total Expenditures	\$ 9,327	10,306	166,642	7,153	193,428

CAPITAL PROJECTS FUND – F

BRIELLE SCHOOL DISTRICT**CAPITAL PROJECTS FUND**

Exhibit F-1

SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**IN FUND BALANCE - BUDGETARY BASIS****FOR THE YEAR ENDED JUNE 30, 2012****Revenues**

Transfer From Maintenance Reserve	\$ 150,000
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Expenditures and Other Financing Uses

Equipment Purchases	66,246
Purchased Professional Services	25,241
Total Expenditures	<u>91,487</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures	58,513
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Fund Balance - Beginning	<u>-</u>
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Fund Balance - Ending	<u><u>\$ 58,513</u></u>
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BRIELLE SCHOOL DISTRICT

Exhibit F-1a

CAPITAL PROJECTS FUND**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,****AND PROJECT STATUS - BUDGETARY BASIS****RENOVATIONS TO ELEMENTARY SCHOOL****FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Transfer from Maintenance Reserve	\$ -	150,000	150,000	150,000
Total Revenues	-	150,000	150,000	150,000
<u>Expenditures and Other Financing Uses</u>				
Equipment Purchases		66,246	66,246	100,000
Other Purchased Professional		25,241	25,241	35,000
Construction				15,000
Total Expenditures	-	91,487	91,487	150,000
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	\$ -	58,513	58,513	-
<u>Additional Project Information</u>				
Project Number		N/A		
Grant Date		N/A		
Original Authorized Cost		\$ 150,000		
Percentage Completion		20%		
Original Target Completion Date		September 2012		
Revised Target Completion Date		September 2012		

PROPRIETARY FUNDS – G

BRIELLE SCHOOL DISTRICT**STATEMENT OF NET ASSETS**

Exhibit G-1

ENTERPRISE FUND**JUNE 30, 2012**

	<u>Food Services</u>	<u>Aftercare Program</u>	<u>Total</u>
<u>Assets</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 45,670	16,862	62,532
Accounts Receivable:			
State	298		298
Federal	3,613		3,613
Inventories	7,143		7,143
Total Current Assets	<u>56,724</u>	<u>16,862</u>	<u>73,586</u>
Noncurrent Assets:			
Equipment	68,465		68,465
Accumulated Depreciation	<u>(55,192)</u>		<u>(55,192)</u>
Total Noncurrent Assets	<u>13,273</u>	<u>-</u>	<u>13,273</u>
Total Assets	<u><u>\$ 69,997</u></u>	<u><u>16,862</u></u>	<u><u>86,859</u></u>
<u>Liabilities</u>			
Accounts Payable	\$ 12,684		12,684
Prepaid Expenses	<u>3,412</u>	<u>-</u>	<u>3,412</u>
Total Liabilities	<u><u>\$ 16,096</u></u>	<u><u>-</u></u>	<u><u>16,096</u></u>
<u>Net Assets</u>			
Investment in Fixed Assets	\$ 13,273		13,273
Unrestricted	<u>40,628</u>	<u>16,862</u>	<u>57,490</u>
Total Net Assets	<u><u>\$ 53,901</u></u>	<u><u>16,862</u></u>	<u><u>70,763</u></u>

BRIELLE SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES

Exhibit G-2

IN FUND NET ASSETS

ENTERPRISE FUND

JUNE 30, 2012

	<u>Food Services</u>	<u>Kindergarten Program</u>	<u>Extracurricular</u>		<u>Aftercare Program</u>	<u>Total</u>
			<u>Sports Program</u>	<u>Activities Program</u>		
Operating Revenues:						
Local Sources:						
Daily Sales Reimbursable Programs	\$ 130,449	-	14,340	6,774	47,837	130,449
Fees	-	-	14,340	6,774	47,837	68,951
Total Operating Revenue	130,449	-	14,340	6,774	47,837	199,400
Operating Expenses:						
Salaries	91,430	-	7,124	18,301	39,952	156,807
Benefits		-	180	884	3,056	4,120
Cost of Sales	76,861					76,861
Management Fee	5,490					5,490
Depreciation	2,497					2,497
Miscellaneous	3,802	74	8,813	3,701	333	16,723
Total Operating Expenses	180,080	74	16,117	22,886	43,341	262,498
Operating (Loss)/Profit	(49,631)	(74)	(1,777)	(16,112)	4,496	(63,098)
Non-Operating Revenues:						
State Sources:						
State School Lunch Program	1,706					1,706
Federal Sources:						
National School Lunch Program	20,517					20,517
Food Distribution Program	15,721					15,721
Interest Revenue		1	2	2	10	15
Board Subsidy	18,205					18,205
Total Non-Operating Revenues	56,149	1	2	2	10	56,164
Change in Net Assets	6,518	(73)	(1,775)	(16,110)	4,506	(6,934)
Adjustment: Prior Period Depreciation	4,072					4,072
Net Assets, July 1	43,311	73	1,775	16,110	12,356	73,625
Net Assets, June 30	\$ 53,901	-	-	-	16,862	70,763

BRIELLE SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

ENTERPRISE FUND

JUNE 30, 2012

Exhibit G-3

	Food Services	Kindergarten Program	Sports Program	Extracurricular Activities Program	Aftercare Program	Total
Cash Flows from Operating Activities:						
Receipts from Daily Sales	\$ 130,449	-	14,340	6,774	47,837	199,400
Payments to Employees	(91,160)	-	(7,124)	(18,301)	(39,952)	(156,537)
Payments to Suppliers	(65,978)	(10,074)	(8,993)	(4,585)	(3,389)	(93,019)
Net Cash Used by Operating Activities	(26,689)	(10,074)	(1,777)	(16,112)	4,496	(50,156)
Cash Flows from Noncapital Financing Activities:						
State Sources	1,706					1,706
Federal Sources	20,517					20,517
Board Subsidy	18,205					18,205
Net Cash Provided by Noncapital Financing Activities	40,428	-	-	-	-	40,428
Cash Flows from Investing Activities:						
Interest Received		1	2	2	10	15
Net Cash Provided by Investing Activities	-	1	2	2	10	15
Net Increase/(Decrease) in Cash and Cash Equivalents	13,739	(10,073)	(1,775)	(16,110)	4,506	(9,713)
Cash and Cash Equivalents July 1	31,931	10,073	1,775	16,110	12,356	72,245
Cash and Cash Equivalents June 30	\$ 45,670	-	-	-	16,862	62,532
Cash Flows from Operating Activities:						
Operating (Loss)/Profit	\$ (49,631)	(74)	(1,777)	(16,112)	4,496	(63,098)
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities:						
Federal Commodities Consumed	15,721					15,721
Depreciation	2,497					2,497
Changes in Assets and Liabilities:						
Increase/(Decrease) in Accounts Payable	7,065	(10,000)				(2,935)
(Increase)/Decrease in Accounts Receivables	639					639
(Increase)/Decrease in Inventory	(2,980)					(2,980)
Net Cash Used by Operating Activities	\$ (26,689)	(10,074)	(1,777)	(16,112)	4,496	(50,156)

FIDUCIARY FUND – H

BRIELLE SCHOOL DISTRICT

TRUST AND AGENCY FUND

Exhibit H-1

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

AS OF JUNE 30, 2012

	Student Activity	Agency Flexible Spending Account	Payroll Agency Account	Scholarship Fund	Unemployment Compensation	Totals
Assets:						
Cash and Cash Equivalents	\$ 16,825	1,155	7,967	7,464	3,732	37,143
Total Assets	\$ 16,825	1,155	7,967	7,464	3,732	37,143
Liabilities and Net Assets:						
Liabilities:						
Due to Student Groups	\$ 16,825					16,825
Payroll Deductions and Withholdings		1,155	7,967			9,122
Total Liabilities	\$ 16,825	1,155	7,967	-	-	25,947
Net Assets:						
Reserved - Scholarships				7,464		7,464
Reserved - Unemployment Benefits					3,732	3,732
Total Net Assets				\$ 7,464	3,732	11,196

BRIELLE SCHOOL DISTRICT

64.

EXPENDABLE TRUST FUNDS**Exhibit H-2****COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS****JUNE 30, 2012**

	<u>Scholarships</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Totals</u>
Additions:			
Local Sources:			
Interest on Investments	\$ 29	2	31
Contributions	-	46,442	46,442
Total Additions	<u>29</u>	<u>46,444</u>	<u>46,473</u>
Deductions:			
Scholarship Payments	450		450
Unemployment Claims		45,790	45,790
Total Deductions	<u>450</u>	<u>45,790</u>	<u>46,240</u>
Change in Net Assets	(421)	654	233
Net Assets, July 1	<u>7,885</u>	<u>3,078</u>	<u>10,963</u>
Net Assets, June 30	<u>\$ 7,464</u>	<u>3,732</u>	<u>11,196</u>

BRIELLE SCHOOL DISTRICT**STUDENT ACTIVITY AGENCY FUND****Exhibit H-3****SCHEDULE OF RECEIPTS AND DISBURSEMENTS****FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Balance June 30, 2011</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2012</u>
Elementary School:				
School Fund	\$ 4,719	18,652	19,200	4,171
Yearbook	1,074	6,447		7,521
Drama Account	675	62	737	-
Band Account	948		948	-
Student Council	4,029	5,348	4,244	5,133
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total All Schools	<u>\$ 11,445</u>	<u>30,509</u>	<u>25,129</u>	<u>16,825</u>

BRIELLE SCHOOL DISTRICT

66.

PAYROLL AGENCY FUND**Exhibit H-4****SCHEDULE OF RECEIPTS AND DISBURSEMENTS****JUNE 30, 2012**

	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
Assets:				
Cash and Cash Equivalents	<u>\$ 483</u>	<u>2,376,635</u>	<u>2,369,151</u>	<u>7,967</u>
Total Assets	<u><u>\$ 483</u></u>	<u><u>2,376,635</u></u>	<u><u>2,369,151</u></u>	<u><u>7,967</u></u>
Liabilities:				
Payroll Deductions and Withholdings	<u>\$ 483</u>	<u>2,376,635</u>	<u>2,369,151</u>	<u>7,967</u>
Total Liabilities	<u><u>\$ 483</u></u>	<u><u>2,376,635</u></u>	<u><u>2,369,151</u></u>	<u><u>7,967</u></u>

LONG-TERM DEBT – I

BRIELLE SCHOOL DISTRICT

LONG-TERM DEBT

Exhibit I-1

SCHEDULE OF SERIAL BONDS

JUNE 30, 2012

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities Dates</u>	<u>Maturities Amount</u>	<u>Interest Rate</u>	<u>Amount Outstanding June 30, 2011</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2012</u>
Elementary School Addition	2/27/01	\$ 6,915,000	3/1/2013	\$ 400,000	4.4%	\$ 4,000,000	400,000	3,600,000
			3/1/2014	400,000	4.5%			
			3/1/2015	400,000	4.6%			
			3/1/2016	400,000	4.7%			
			3/1/2017	400,000	4.85%			
			3/1/2018	400,000	4.95%			
			3/1/2019-21	400,000	5.00%			
						<u>\$ 4,000,000</u>	<u>400,000</u>	<u>3,600,000</u>

BRIELLE SCHOOL DISTRICT

LONG-TERM DEBT

Exhibit I-2

SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES PAYABLE

JUNE 30, 2012

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding June 30, 2011</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2012</u>
Software	9.03%	\$ 37,500	\$ 8,944	8,944	-

BRIELLE SCHOOL DISTRICT

DEBT SERVICE FUND

Exhibit I-3

BUDGETARY COMPARISON SCHEDULE

JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Fund to Actual</u>
Revenues:					
Local Sources					
Local Tax Levy	\$ 591,000		591,000	591,000	-
Total Revenues	<u>591,000</u>	<u>-</u>	<u>591,000</u>	<u>591,000</u>	<u>-</u>
Expenditures:					
Regular Interest	191,000		191,000	191,000	-
Redemption of Principal	400,000		400,000	400,000	-
Total Expenditures	<u>591,000</u>	<u>-</u>	<u>591,000</u>	<u>591,000</u>	<u>-</u>
Excess Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance July 1	<u>5</u>		<u>5</u>	<u>5</u>	<u>-</u>
Fund Balance June 30	<u>\$ 5</u>	<u>-</u>	<u>5</u>	<u>5</u>	<u>-</u>

STATISTICAL SECTION

(Unaudited)

Brielle Board of Education
Net Assets by Component,
Last Six Fiscal Years
(accrual basis of accounting)

Fiscal Year Ending June 30, 2012

Exhibit J-1
GASB B-1
New

	2007	2008	2009	2010	2011	2012
Governmental activities						
Invested in capital assets, net of related debt	\$4,066,694	\$4,170,028	\$4,208,202	\$4,302,411	\$4,391,207	\$4,585,508
Restricted						
Unrestricted						
Total governmental activities net assets	<u>\$4,106,197</u>	<u>\$4,170,028</u>	<u>\$4,208,202</u>	<u>\$4,302,411</u>	<u>\$4,391,207</u>	<u>\$4,585,508</u>
Business-type activities						
Invested in capital assets, net of related debt	123,425	\$102,717	\$90,988	\$141,847	\$142,626	\$144,278
Restricted						
Unrestricted						
Total business-type activities net assets	<u>\$123,425</u>	<u>\$102,717</u>	<u>\$90,988</u>	<u>\$141,847</u>	<u>\$142,626</u>	<u>\$144,278</u>
District-wide						
Invested in capital assets, net of related debt	\$4,190,119	\$4,272,745	\$4,299,190	\$4,444,258	\$4,533,833	\$4,729,786
Restricted						
Unrestricted						
Total district net assets	<u>\$4,190,119</u>	<u>\$4,272,745</u>	<u>\$4,299,190</u>	<u>\$4,444,258</u>	<u>\$4,533,833</u>	<u>\$4,729,786</u>

Source: CAFR Schedule A-1

Brielle Board of Education
Changes in Net Assets, Last Six Fiscal Years
(accrual basis of accounting)

Exhibit J-2
GASB B-2
New

	2007	2008	2009	2010	2011	2012
Expenses						
Governmental activities						
Instruction						
Regular	2,870,715	2,913,242	3,272,479	3,090,695	2,577,947	2,755,182
Special Education	446,126	511,306	547,241	504,416	532,330	548,252
Bilingual Education	6,519	7,206	7,803	7,803	8,000	8,160
Extracurriculars-Non sports	34,905	40,942	50,474	37,987	8,758	31,860
Extracurriculars-Sports	32,939	35,665	45,572	45,696	0	23,025
Other instruction	0	0	0	10,077	0	0
Support Services:	0	0	0	0	0	0
Tuition	2,832,243	3,147,003	3,134,339	3,644,294	4,218,991	4,417,265
Health Services	197,404	212,723	221,531	84,938	63,309	62,686
Speech, OT/PT	127,116	126,880	423,706	310,593	230,772	232,756
Guidance	0	0	0	51,204	64,005	67,380
Child Study Team	244,919	275,735	0	290,151	287,765	283,053
Improvement of Instructional Staff	53,682	53,136	71,354	54,674	55,494	57,420
Library/Media	71,169	37,994	60,811	83,408	79,000	162,317
General administrative services	169,685	200,676	190,711	183,449	192,847	201,945
School administrative services	248,070	249,109	258,823	292,522	267,582	279,477
Business administrative services	219,970	221,343	243,055	255,497	179,813	184,722
Building Maintenance	170,527	171,326	203,686	253,657	144,547	159,249
Custodial Services	456,247	469,852	512,293	443,298	463,238	488,794
Grounds Upkeep	0	0	0	52,249	62,119	43,648
Benefits	1,007,464	1,087,545	1,175,115	1,178,074	1,250,984	1,300,125
Pupil transportation	499,179	505,302	508,588	497,644	431,549	485,646
Interest on long-term debt	272,969	255,780	241,160	225,320	208,600	191,000
Unallocated depreciation	0	0	0	0	0	0
Total governmental activities expenses	9,961,848	10,522,765	11,168,741	11,597,646	11,327,650	11,963,962
Business-type activities:						
Food service	185,229	187,833	232,627	197,983	159,143	137,343
Child Care					0	
Total business-type activities expense	185,229	187,833	232,627	197,983	159,143	137,343
Total district expenses	10,147,077	10,710,598	11,401,368	11,795,629	11,486,793	12,101,305
Program Revenues						
Governmental activities:						
Charges for services:						
Instruction (tuition)	0	14,400	18,000	26,060	36,825	13,800
Pupil transportation	0	40,886	0	0	0	0
Business and other support services	0	0	0	0	0	0
Operating grants and contributions	348,563	178,425	191,174	168,500	196,098	342,182
Capital grants and contributions	0	0	0	0	0	0
Total governmental activities program revenues	348,563	233,711	209,174	194,560	232,923	355,982

Brielle Board of Education
Changes in Net Assets, Last Six Fiscal Years
(accrual basis of accounting)

Exhibit J-2

GASB B-2
New

	2007	2008	2009	2010	2011	2012
Business-type activities:						
Charges for services						
Food service	196,342	186,433	183,267	205,897	174,556	153,467
Child care	0	0	0	0	0	0
Operating grants and contributions	49,700	0	0	0	0	0
Capital grants and contributions	0	0	0	0	0	0
Total business-type activities program revenues	246,042	186,433	183,267	205,897	174,556	153,467
Total district program revenues						
Net (Expense)/Revenue						
Governmental activities	348,563	233,711	209,174	194,560	232,923	114,970
Business-type activities	246,042	186,833	183,267	205,897	174,556	153,467
Total district-wide net expense	594,605	420,544	392,441	400,457	407,479	268,437
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Property taxes levied for general purposes, net	8,959,586	9,747,922	10,137,139	10,527,417	11,329,491	11,586,001
Taxes levied for debt service	648,279	625,378	601,158	605,320	608,600	591,000
Unrestricted grants and contributions	823,808	641,680	783,993	806,904	264,642	467,490
Payments in lieu of taxes	0	0	0	0	0	0
Investment earnings	72,866	57,800	38,426	10,845	2,324	3,908
Miscellaneous income	0	0	0	0	0	23,533
Transfers	0	0	0	0	0	0
Total governmental activities	10,504,539	11,072,780	11,560,716	11,950,486	12,205,057	12,671,932
Business-type activities:						
Investment earnings						
Transfers						
Total business-type activities						
Total district-wide	11,099,144	11,493,324	11,953,157	12,350,943	12,612,536	12,940,369
Change in Net Assets						
Governmental activities	542,691	550,015	391,975	352,840	254,571	116,970
Business-type activities	-50,813	1,400	49,360	-7,914	-31,329	16,123
Total district	481,878	551,415	441,335	344,926	223,242	133,093

Source: CAFR Schedule A-2

Brielle Board of Education
Fund Balances, Governmental Funds,
Last Nine Fiscal Years
(modified accrual basis of accounting)

Exhibit J-3
GASB B-3
New

	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund									
Reserved	99,733	14,275	27,038	\$0	164,100	34,680	0	0	0
Unreserved	\$ 366,077	\$ 188,354	\$ 216,840	\$186,811	190,824	303,299	251,843	307,199	254,864
Total general fund	\$ 465,810	\$ 188,354	\$ 243,878	\$186,811	354,924	337,979	251,843	307,199	254,864
All Other Governmental Funds									
Reserved	\$ 73,560	\$ -	\$ -	0	0	34,679	0	0	0
Maintenance Reserve							0	332,076	206,406
Unreserved, reported in:							0	0	0
Special revenue fund	11,980	29,449	3,677		0		0	0	0
Capital projects fund	708	99,280	19,798	19,798	0	0	0	0	0
Debt service fund	-	-	4		0		0	0	0
Permanent fund		-	-		0		0	0	0
Total all other governmental funds	\$ 86,248	\$ 128,729	\$ 23,479	\$19,798	0	34,679	0	332,076	206,406

*Forecast

**Brielle Board of Education
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years**

**Exhibit J-4
GASB B-4
New**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Tax Levy	\$ 7,629,802	8,155,936	8,632,520	9,269,620	9,607,865	10,373,301	10,738,297	11,132,737	11,938,091	12,147,081
Tuition Charges	19,080	96,611	7,796	8,000	12,375	14,400	20,550	26,060	36,825	13,800
Interest Earnings	15,998	8,186	29,316	47,058	72,866	54,483	15,836	10,845	2,324	1,091
Miscellaneous	17,475	-	-	-	7,258	3,317	-	-	-	28,015
State Sources	400,313	508,823	585,403	499,674	544,997	560,030	794,442	770,115	264,642	462,626
Federal Sources	-	-	-	-	-	-	-	-	-	-
Total revenue	8,082,668	8,769,556	9,255,035	9,824,352	10,245,361	11,005,531	11,569,125	11,939,757	12,241,882	12,652,613
Expenditures										
Instruction										
Regular Instruction	2,372,873	2,519,542	2,583,960	2,871,377	2,870,715	2,913,242	3,272,479	3,090,695	2,585,207	2,755,182
Special education instruction	309,513	332,299	410,002	454,575	446,126	511,306	547,241	504,416	532,330	548,252
Other special instruction	2,664	2,039	-	-	6,519	7,206	7,803	7,803	8,000	8,160
Extracurricular-Non sports	-	-	-	-	34,905	40,942	50,474	37,987	8,758	31,860
Extracurricular-Sports	-	-	-	-	32,939	35,665	45,572	45,696	-	23,025
Vocational Education	-	-	-	-	-	-	-	-	-	-
Other instruction	59,330	82,187	66,410	69,924	-	-	-	10,077	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	2,224,953	2,195,373	2,471,216	2,621,929	2,829,811	3,147,003	3,134,339	3,644,294	4,218,991	4,417,265
Student & Instruction Related Services	527,456	556,513	590,672	566,196	694,660	706,468	785,610	886,754	780,343	865,612
General Administrative services	341,541	418,513	229,291	482,396	169,685	200,676	190,711	183,449	189,727	201,945
School Administrative services	206,153	164,811	383,354	152,645	468,040	470,452	501,878	548,469	447,395	464,199
Plant Operations and Maintenance	512,574	588,481	551,101	637,007	626,774	641,178	715,979	749,204	663,275	671,691
Pupil Transportation	266,929	290,077	334,391	411,646	499,179	505,301	508,987	497,644	431,549	485,646
Unallocated Employee Benefits	796,414	893,545	936,921	1,041,454	1,007,464	1,087,545	1,175,114	1,178,074	1,250,984	1,300,125
Special Schools	-	-	-	-	-	-	-	-	-	-
Charter Schools	-	-	-	-	-	-	-	-	-	-
Capital outlay	159,219	91,741	26,145	23,701	34,695	15,114	-	45,360	37,714	6,652
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest and other charges	-	289,667	318,064	341,593	379,399	369,120	360,000	380,000	400,000	400,000
Total expenditures	-	316,390	303,093	288,564	268,880	256,258	241,160	225,320	208,600	191,000
Excess (Deficiency) of revenues over (under) expenditures	7,779,619	8,741,178	9,204,620	9,963,007	10,369,791	10,907,476	11,568,370	12,035,242	11,762,873	12,370,614
Other Financing sources (uses)										
Capital leases (non-budgeted)	303,049	28,378	50,415	(138,655)	(124,430)	98,055	755	(95,485)	479,009	281,999
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	(26,712)	(25,405)	-	(28,278)	-	-	-	-	-	-
Total other financing sources (uses)	(26,712)	(25,405)	-	(28,278)	-	-	-	-	-	-
Net Change in Fund Balances	276,337	2,973	50,415	(166,933)	(124,430)	98,055	755	(95,485)	479,009	281,999
Debt service as a percentage of Noncapital Expenditures	0.0%	7.0%	6.8%	6.3%	6.30%	5.60%	5.90%	5.04%	5.19%	4.77%
June 30 Fund Balance	366,912	350,321	418,815	225,366	212,555	190,824	295,645	251,843	307,199	254,864

Source: CAFR Schedule B-2

Exhibit J-5
Non Tax Levy Income
Last Ten Fiscal Years

Brielle	Board	of	Education	Form	J-5
General	Fund	Other	Local	Revenue	Source
Last	Ten	Fiscal	Years	By	
Unaudited					
Fiscal Year	Interest on	Tuition			
Ended June 30	Investments	Revenues	Miscellaneous	Total	
2003	15,998	19,080	17,475	52,553	
2004	8,186	96,611	0	104,797	
2005	29,316	7,796	0	37,112	
2006	65,756	9,682	0	75,438	
2007	72,866	12,375	2,258	87,499	
2008	54,483	14,400	3,317	72,200	
2009	15,836	18,000	0	33,836	
2010	10,845	26,060	0	36,905	
2011	2,324	36,825	0	39,149	
2012	1,091	13,800	28,015	42,906	

Brielle Board of Education
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years

Exhibit J-6
GASB C-11
NJ J-4

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax- Exempt Property	Public Utilities a	Net Valuation Taxable	Total Direct School Tax Rate b	Estimated Actual (County Equalized Value)
2002	0	582,571,882	0	0	0	0	0	582,571,882	0	0	582,571,882	1.210	0
2003	0	587,024,170	0	0	0	0	0	587,024,170	0	0	587,024,170	1.389	0
2004	0	595,327,971	0	0	0	0	0	595,327,971	0	0	595,327,971	1.450	0
2005	0	613,918,914	0	0	0	0	0	613,918,914	0	0	613,918,914	1.520	0
2006	0	614,583,627	0	0	0	0	0	614,583,627	0	0	614,583,627	1.570	0
2007	0	1,703,970,532	0	0	0	0	0	1,703,970,532	0	0	1,703,970,532	0.609	0
2008	0	1,703,512,600	0	0	0	0	0	1,703,512,600	0	0	1,703,512,600	0.630	0
2009	0	1,684,687,233	0	0	0	0	0	1,684,687,233	0	0	1,684,687,233	0.660	0
2010	0	1,672,150,800	0	0	0	0	0	1,672,150,800	0	0	1,672,150,800	0.708	0
2011	0	1,672,150,800	0	0	0	0	0	1,672,150,800	0	0	1,672,150,800	0.726	0

Source: District records Tax list summary & Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

**Brielle Board of Education
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**

(rate per \$100 of assessed value)

N/A

Exhibit J-7

**GASB C-2
NJ J-5**

	<u>Brielle Property Value</u>		<u>Tax</u>	<u>Tax</u>	
				RatePer	Valuation
				\$100	
2003	587,024,170	7629802	0.012997	1.300	
2004	595,327,971	8155936	0.013700	1.370	
2005	613,918,914	8632520	0.014061	1.406	
2006	614,583,627	9269620	0.015083	1.508	
2007	1,703,970,532	9607865	0.005639	0.564	
2008	1,703,512,600	10,373,301	0.006089	0.609	
2009	1,703,512,600	10,738,297	0.006304	0.631	
2010	1,684,687,233	11,132,737	0.006608	0.661	
2011	1,672,150,800	11,938,091	0.007139	0.708	
2012	1,672,150,800	12,147,081	0.007264	0.726	

Brielle Board of Education
Principal Property Tax Payers,
Current Year
Form J-8

Exhibit J-8
GASB C-3
NJ J-11

Taxpayer	2012		% of Total District Net Assessed Value
	Taxable Assessed Value	Rank [Optional]	
Manasquan River Golf Club	\$ 15,503,600	1	2.20%
Brielle Sui Generis	10,000,000	2	1.46%
Brandywine at Brielle	6,702,800	3	1.00%
Brandywine East II	6,518,500	4	0.92%
Bruce Wesson	6,501,400	5	1.00%
Total	<u>\$ 45,226,300</u>		<u>6.58%</u>

Source: District CAFR & Municipal Tax Assessor

**Brielle Board of Education
School Property Tax Levies and Collections,
Last Six Fiscal Years**

Exhibit J-9

**GASB C-4
Expanded J-3**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the		Collections in Subsequent Years
		Amount	Percentage of Levy	
2007	\$ 9,607,865	9,607,865	100.00%	
2008	10,373,301	10,373,301	100.00%	
2009	10,738,297	10,738,297	100.00%	
2010	11,132,737	11,132,737	100.00%	
2011	11,938,091	11,938,091	100.00%	
2012	12,147,081	12,147,081	100.00%	

Source: District records including the Certificate and Report of School Taxes (A4F form)

Note: School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in is the amount voted upon or certified prior to the end of the schoo

**Brielle Board of Education
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Exhibit J-10
GASB D-1
New

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities	
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District
2003	6,515,000	-	74,150	-	-	6,589,150
2004	6,290,000	-	12,683	-	-	6,302,683
2005	6,040,000	-	32,557	-	-	6,072,557
2006	5,770,000	-	21,512	-	-	5,791,512
2007	5,470,000		16,145			5,486,145
2008	5,140,000		15,114			5,155,114
2009	4,780,000		0			4,780,000
2010	4,400,000		0			4,400,000
2011	4,000,000		0			4,000,000
2012	3,600,000		0			3,600,000

Source: District CAFR Schedules I-1, I-2

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

**Brielle Board of Education
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years**

**Exhibit J-11
GASB**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding				Debt Limit
	General Obligation Bonds	Deductions	Taxable Valuation	Percentage of Actual Taxable Value ^a of Property	
2003	\$ 6,515,000	-	587,024,170	1.11%	17,610,725
2004	6,290,000	-	595,327,971	1.06%	17,859,839
2005	6,040,000	-	613,918,914	0.98%	18,417,567
2006	5,770,000	-	614,583,627	0.94%	18,437,508
2007	5,470,000		1,703,970,532	0.32%	49,953,533
2008	5,140,000		1,703,512,600	0.30%	49,914,417
2009	4,780,000		1,703,512,600	0.28%	49,914,417
2010	4,400,000		1,684,687,233	0.26%	49,914,417
2011	4,000,000		1,672,150,800	0.24%	49,914,417
2012	3,600,000		1,672,150,800	0.22%	49,914,417

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-13.

Brielle Board of Education
Ratios of Overlapping Governmental Activities Debt
as of December 31, 2011

Exhibit J-12
GASB D-3
NJ J-8 modified

<u>Governmental Unit</u>	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Debt repaid with property taxes Brielle Boro	\$ 1,924,306	100.000%	1,924,306
Other debt	0	0.000%	0
	0	0.000%	0
Subtotal, overlapping debt			1,924,306
Brielle School District Direct Debt			4,000,000
Total direct and overlapping debt			<u>\$ 5,924,306</u>

Brielle Borough Board of Education
Legal Debt Margin Information,
Last Ten Fiscal Years
J-13

Average Equalized Valuation of Taxable Property

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit										
	\$ 17,610,725	\$ 17,859,839	\$ 18,417,567	\$ 18,437,508	\$46,732,408	\$46,732,408	49,914,417	49,914,417	49,914,417	49,914,417
Total net debt applicable to limit	6,715,000	6,515,000	6,226,057	5,884,445	5,470,000	5,140,000	4,780,000	4,380,000	4,000,000	3,600,000
Legal debt margin	<u>\$ 10,895,725</u>	<u>\$ 11,344,839</u>	<u>\$ 12,191,510</u>	<u>\$ 12,553,063</u>	<u>\$ 41,262,408</u>	<u>\$ 41,592,408</u>	<u>45,134,417</u>	<u>45,534,417</u>	<u>45,914,417</u>	<u>46,314,417</u>
Total net debt applicable to the limit as a percentage of debt limit	38.13%	36.48%	33.80%	31.92%	11.70%	11%	9.58%	8.78%	8.01%	7.77%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

^a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

Brielle Board of Education
Demographic and Economic Statistics
Last Ten Fiscal Years
Form J-14

Exhibit J-14
 GASB E-1
 NJ J-10 modified

<u>Year</u>	<u>Population ^a</u>	<u>Student Enrollment</u>	<u>Ratio of Students to Population</u>
2003	4,797	604	0.13
2004	4,813	659	0.14
2005	4,857	699	0.14
2006	4,901	703	0.14
2007	4,990	714	0.14
2008	5,001	712	0.14
2009	5,012	713	0.14
2010	4,990	728	0.15
2011	4,774	665	0.14
2012	4,774	606	0.13

Source:

^a Population information provided by the Brielle Boro Municipal Hall
 Alternate Sources-US Census and Wikipedia

**Brielle Board of Education
Principal Employers,
Current Year and Nine Years Ago**

Exhibit J-15
GASB E-2
NEW

Employer	2012			2003		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
Manasquan River Golf Club	125	1		125	1	
Brielle Board of Education	90	2		80	2	
Borough of Brielle	40	3		37	3	

Brielle Board of Education
Full-time Equivalent District Employees by Function/Program,
Last Four Fiscal Years Plus Budget for 2012-2013

Exhibit J-16

GASB F-1
New

Function/Program	2009	2010	2011	2012	2013
120-100 Regular Education Teachers	48	48	37.5	37	33
100-101 Teacher Special Revenue	8	6	6	6	6
100-106 Classroom Aides	4	15	9	8	8.5
213-100 Health Services	4	2	2	2	1.5
216-100 Speech	2	2	-	0	1
218-104 Guidance	2	1	1	1	1
219-104 Child Study Team	3	3	3	3	4
221-102 DSS Supervisors	0.5	0.5	0.5	0.5	0.5
222-100 Media Technology	1	1	2	2	2
230-100 General Administration	4	3.5	3.5	3.5	3.5
240-100 Administration Principal	1	1	1	1	1
250-100 Business Administration	3	3	2	2	2
26x-100 Maintenance	7	7	7	6	6
Total	87.0	93.0	74.5	72	70

Exhibit J-17

Brielle Borough Board of Education
Operating Statistics
Last Nine Fiscal Years

GASB F-6
NJ J-12, 14

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff _b	Pupil/Teacher Ratio	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	Student Attendance Percentage
2004	659	8,741,178	8,348	#REF!	50	13.18	638	610	95.77%
2005	699	9,204,620	8,796	5.37%	51	13.60	658	628	95.44%
2006	703	9,963,007	8,988	2.18%	54	13.04	701	671.00	95.72%
2007	714	10,369,791	8,903	-0.95%	57	12.61	708	675.00	95.34%
2008	712	10,907,476	9,346	4.98%	57	12.47	714	686.00	96.08%
2009	713	11,568,370	10,320	10.42%	54	13.23	708	680.00	96.05%
2010	728	12,035,242	10,395	0.73%	43	17	727	692.00	95.19%
2011	665	11,472,483	9,849	-5.25%	43	15.47	660	628.00	95.20%
2012	605	11,963,962	11,355	15%	48	12.74	604	579.00	95.80%

Brielle Board of Education
School Building Information
Last Ten Fiscal Years

Exhibit J-18
GASB F-4
New

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
District Building										
Brielle School										
Square Feet	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Capacity (students)	762	762	762	762	762	762	762	762	762	762
Enrollment	604	659	699	703	714	712	713	728	665	605

Source: District records, ASSA
Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of and additions. Enrollment is based on the annual October district count.

BRIELLE SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES

School Facilities	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Brielle Elementary School	\$671,691	\$ 663,275	\$ 749,204	\$ 683,062	\$ 642,449	\$ 626,774	\$ 637,007	\$ 551,101	\$ 588,481	\$512,574

Form J-20

BRIELLE SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
Broker of Record-Holmes & McDowell, Holmdel, NJ
UNAUDITED

Company	Type of Coverage	Coverage
NJSBAIG	Property Blanket Building & Contents- Replacement Cost Values	\$ 17,500,000
NJSBAIG	Flood/Earthquake	10,000,000
NJSBAIG	Pollution Liability	1,000,000
NJSBAIG	Crime Insurance	
	Employee Dishonesty	100,000
	Forgery	50,000
	Securities Loss	50,000
	Computer Fraud	50,000
	Treasurer Bond	360,000
	Business Administrator/Board Secretary	360,000
NJSBAIG	General Liability	
	-Each Occurrence	5,000,000
	-Prod/Completed Oper	3,000,000
	-Personal Injury	1,000,000
	-Fire Damage	2,500,000
	-Employee Benefit Liability	5,000,000
	Sexual Misconduct	2,000,000
NJSBAIG	School Board Liability	2,000,000
BMC	Student Accident	2,000,000
NJSBAIG	Workers Compensation	
NJSBAIG	Board of Education	
	Liability/Wrongful Acts-Each Loss	1,000,000
	Aggregate-Each Loss	1,000,000
NJSBAIG	Accident-Volunteers	25,000
NJSBAIG	Student Accident-Voluntary	500,000
NJSBAIG	Fidelity Bonds	
	Business Administrator/Board Secretary	400,000
NJSBAIG	Non-Professional Covered Payrolls	5,526,388

Source: District Records

SINGLE AUDIT SECTION

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
ROBERT A. HULSART, JR., C.P.A., P.S.A.

Telecopier:
(732) 280-8888

e-mail:
rah@monmouth.com

2807 Hurley Pond Road • Suite 100
P.O. Box 1409
Wall, New Jersey 07719-1409
(732) 681-4990

RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS (NO MATERIAL
WEAKNESSES IDENTIFIED, NO SIGNIFICANT DEFICIENCIES IDENTIFIED,
NO REPORTABLE INSTANCES OF NONCOMPLIANCE OR
OTHER MATTERS IDENTIFIED

K-1

Honorable President and Members
of the Board of Education
Brielle School District
County of Monmouth
Brielle, New Jersey

We have audited the general-purpose financial statements of the Board of Education of the Brielle School District, in the County of Monmouth, State of New Jersey, as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated November 14, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Brielle Board of Education is responsible for establishing and maintaining effective internal control over financial reporting.

In planning and performing our audit, we considered the Brielle Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Brielle Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Brielle Board of Education's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Brielle Board of Education's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of general-purpose financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

This report is intended solely for the information and use of the audit committee, management, the Brielle Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company

November 14, 2012

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
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RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

Telecopier:
(732) 280-8888

e-mail:
rah@monmouth.com

2807 Hurley Pond Road • Suite 100
P.O. Box 1409
Wall, New Jersey 07719-1409
(732) 681-4990

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A
DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AN ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133 (UNQUALIFIED OPINION ON COMPLIANCE;
NO MATERIAL WEAKNESSES OR SIGNIFICANT DEFICIENCIES IN
INTERNAL CONTROL OVER COMPLIANCE IDENTIFIED)**

K-2

Honorable President and Members
of the Board of Education
Brielle School District
County of Monmouth
Brielle, New Jersey

Compliance

We have audited the Board of Education of the Brielle School District, in the County of Monmouth, State of New Jersey, with the types of compliance requirements described in the *(OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of Brielle Board of Educations major federal and state programs for the year ended June 30, 2012. Brielle Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Brielle Board of Education's management. Our responsibility is to express an opinion on the Brielle Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Brielle Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Brielle Board of Education's compliance with those requirements.

In our opinion, the Board of Education of the Brielle School District, in the County of Monmouth, State of New Jersey, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2012.

Internal Control Over Compliance

The management of the Board of Education of the Brielle School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Brielle Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Brielle Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. Brielle Board of Education's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Brielle Board of Education's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, the Brielle Board of Education, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company

November 14, 2012

BRIELLE SCHOOL DISTRICT

Schedule A
K-3

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

CFDA Number	Award Amount	Grant Period		Balance at June 30, 2011	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2012		Due to Grantor
		From	To						(Accounts Receivable)	Deferred Revenue	
Department of Education Project/Title											
U.S. Department of Education General Fund:											
Education Jobs Fund	\$ 22,533	8/10/2010	9/30/2012	\$ -		22,533	(22,533)				
U.S. Department of Education Passed Through State Department of Education:											
Special Revenue Fund:											
Title I											
84.010A	119	9/1/2009	8/31/2010	(119)		119					
84.010A	9,417	9/1/2010	8/31/2011	(5,651)		5,651					
84.010A	9,327	9/1/2011	8/31/2012			9,327	(9,327)				
84.367A	12,195	9/1/2010	8/31/2011	(2,443)		2,443					
84.367A	10,306	9/1/2011	8/31/2012			10,306	(10,306)				
84.318X	21	9/1/2010	8/31/2011	(5)		5					
84.186A	54	9/1/2009	8/31/2010	(54)		54					
I.D.E.A.:											
Part B - Basic	167,244	9/1/2010	8/31/2011	(33,448)		33,448					
84.027	166,642	9/1/2011	8/31/2012			166,642	(166,642)				
84.173	7,221	9/1/2010	8/31/2011	(1,445)		1,445					
84.173	7,153	9/1/2011	8/31/2012			7,153	(7,153)				
Total Special Revenue Fund				(43,165)	-	259,126	(215,961)	-	-	-	-
U.S. Department of Agriculture Passed Through State Department of Education:											
Enterprise Fund:											
National School Lunch Program	21,356	7/1/2010	6/30/2011	(4,026)		4,026					
10.555	20,517	7/1/2011	6/30/2012			16,904	(20,517)		(3,613)		
10.550	15,721	7/1/2011	6/30/2012			15,721	(15,721)				
Food Distribution Program						36,651	(36,238)	-	(3,613)	-	-
Total Enterprise Fund				(4,026)	-						
Total Federal Financial Awards				\$ (47,191)	-	295,777	(252,199)	-	(3,613)	-	-

See Accompanying Notes to Schedules of Financial Assistance.

BRIELLE SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Schedule B
K-4

State Grant or Department of Education Project/Title	State Grant Number	Award Amount	Grant Period		Balance at June 30, 2011		Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2012		MEMO	
			From	To	Deferred Revenue Accounts Receivable	Carryover (Walkover) Amount				(Accounts Receivable)	Deferred Revenue	Budgetary Receivable	Cumulative Total Expenditures
General Fund:													
Special Education Aid	12-495-034-5120-089	\$ 319,649	07/01/11	06/30/12	\$ -	-	319,649	(319,649)				(29,742)	319,649
Transportation Aid	12-495-034-5120-014	4,864	07/01/11	06/30/12				(4,864)		(4,864)			4,864
Transportation Aid	11-495-034-5120-014	10,328	07/01/10	06/30/11	(10,328)		10,328						
Extraordinary Aid	12-495-034-5120-044	142,977	07/01/11	06/30/12				(142,977)		(142,977)			142,977
Extraordinary Aid	11-495-034-5120-044	171,871	07/01/10	06/30/11	(171,871)		171,871						
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	444,776	07/01/11	06/30/12	(182,199)	-	444,776	(444,776)		(147,841)	-	(29,742)	444,776
Total General Fund							946,624	(912,266)	-				912,266
Enterprise Fund:													
National School Lunch Program (State Share)	12-100-010-3350-023	1,706	07/01/11	06/30/12	(524)		1,408	(1,706)		(298)			1,706
	11-100-010-3350-023	2,121	07/01/10	06/30/11	(524)	-	524						
Total Enterprise Fund					(524)	-	1,932	(1,706)	-	(298)	-	-	1,706
Total State Financial Awards					\$ (182,723)	-	948,556	(913,972)	-	(148,139)	-	(29,742)	913,972

See Accompanying Notes to Schedules of Financial Assistance.

BOARD OF EDUCATION

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BRIELLE SCHOOL DISTRICT**NOTES TO SCHEDULES OF AWARDS OF FINANCIAL ASSISTANCE****JUNE 30, 2012****NOTE 1: General**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Brielle School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2: Basis of Accounting

The accompanying schedules of financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. Programs recorded in the food service fund include the National School Lunch Program, the School Breakfast Program, the U.S.D.A Commodities Program and the Special Milk Program. These bases of accounting are described in the Note 1(C) to the Board's general-purpose financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: Relationship to General Purpose Financial Statements

The general-purpose financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

Awards and financial assistance revenues are reported in the Board's general purpose financial statements on a GAAP basis as presented below:

NOTE 3: Relationship to General Purpose Financial Statements (Continued)

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>State Assistance</u>				
Actual Amounts (Budgetary)				
“Revenues” from the Schedule of Expenditures of State				
Financial Assistance	\$ 912,266		1,706	913,972
Difference – Budget to “GAAP”				
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized				
On Behalf Payments Recognized for GAAP Statements but Not Included in the Schedule of Expenditures of State Financial Assistance	384,787			384,787
The Last State Aid Payment Is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which does not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33)	<u>(24,280)</u>	<u> </u>	<u> </u>	<u>(24,280)</u>
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 1,272,773</u>	<u> </u>	<u>1,706</u>	<u>1,274,479</u>

NOTE 3: Relationship to General Purpose Financial Statements (Continued)

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>Federal Assistance</u>				
Actual Amounts (Budgetary)				
“Revenues” from the Schedule				
of Expenditures of Federal				
Awards	\$	193,428	36,238	229,666
Difference – Budget to “GAAP”				
Grant Accounting Budgetary				
Basis Differs from GAAP in that				
Encumbrances are Recognized as				
Expenditures and the Related				
Revenue is Recognized	_____	_____	_____	_____
Total Federal Revenue as				
Reported on the Statement				
of Revenue, Expenditures,				
and Changes in Fund				
Balances	\$ _____	<u>193,428</u>	<u>36,238</u>	<u>229,666</u>

NOTE 4: Relationship to Federal and State Financial Reports

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5: Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2012. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2012.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Part 2 - Financial Statement Findings

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the general purpose financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's Response: N/A

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Part 3 - State Awards Financial Assistance Findings and Questioned Costs

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular Letter 04-04.

State Awards

Finding: None

Information on the State Program: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's response: N/A

BRIELLE SCHOOL DISTRICT

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Prior Audit Findings:

None